

# **ARMORED CARS**

## **EXCERPTS FROM THE**

### **CALIFORNIA VEHICLE CODE**

*(current through the 1999 legislative session)*

### **PUBLIC UTILITIES CODE,**

*(current through the 1999 legislative session)*

### **REVENUE AND TAXATION CODE,**

*(current through the 1999 legislative session)*

**and**

### **TITLE 13, CALIFORNIA CODE OF REGULATIONS**

*(current through Register 99, No. 50)*

This pamphlet contains excerpts from selected statutes and regulations pertaining to the operation of privately owned or operated armored cars.

The full text of all California statutes may be accessed via the Internet at [www.leginfo.ca.gov/calaw.html](http://www.leginfo.ca.gov/calaw.html). The complete California Vehicle Code may also be accessed via the Internet at [www.dmv.ca.gov/pubs/vctop/vc/vc.htm](http://www.dmv.ca.gov/pubs/vctop/vc/vc.htm) or printed copies purchased from any Department of Motor Vehicles office.

The complete Public Utilities Code may be purchased from:

Public Utilities Commission  
Documents Section  
505 Van Ness Avenue  
San Francisco, CA 94102  
(415) 703-1542

The complete Revenue and Taxation Code may be purchased from:

West Group  
PO Box 64833  
Saint Paul, MN 55164-9752  
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The full text of the California Code of Regulations may be accessed via the Internet at [ccr.oal.ca.gov](http://ccr.oal.ca.gov) or printed copies purchased from:

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# **EXCERPTS FROM THE CALIFORNIA VEHICLE CODE**

## **GENERAL PROVISIONS**

### **§ 20. False Statements.**

It is unlawful to use a false or fictitious name, or to knowingly make any false statement or knowingly conceal any material fact in any document filed with the Department of Motor Vehicles [DMV] or the Department of the California Highway Patrol [CHP].

## **DIVISION 1. WORDS AND PHRASES DEFINED**

### **§ 31. False Information to Peace Officer.**

No person shall give, either orally or in writing, information to a peace officer while in the performance of his duties under the provisions of this code when such person knows that the information is false.

### **§ 115. Armored Car.**

An "armored car" is a vehicle that is equipped with materials on either the front, sides, or rear for the protection of persons therein from missiles discharged from firearms.

### **§ 260. Commercial Vehicle.**

(a) A "commercial vehicle" is a vehicle of a type required to be registered under this code used or maintained for the transportation of persons for hire, compensation, or profit or designed, used, or maintained primarily for the transportation of property.

### **§ 408. Motor Carrier.**

"Motor carrier" is the registered owner, lessee, licensee, or bailee of any vehicle set forth in Section 34500, who operates or directs the operation of any such vehicle on either a for-hire or not-for-hire basis.

### **§ 410. Motor Truck.**

A "motor truck" or "motortruck" is a motor vehicle designed, used, or maintained primarily for the transportation of property.

### **§ 660. Unladen Weight.**

The "unladen weight" of a vehicle is the weight equipped and ready for operation on the road including the body, fenders, oil in motor, radiator full of water, with five gallons of gasoline or equivalent weight of other motor fuel; also equipment required by law, and unless exempted under Section 66l, any special cabinets, boxes or body parts permanently attached to the vehicle, and any machinery, equipment or attachment which is attendant to the efficient operation of the body or vehicle. Unladen weight shall not include any load or any machinery or mechanical apparatus, such as, but not limited to, wood saws, well-drilling machines, spray apparatus, tow truck cranes, and grinding equipment. The unladen weight of a vehicle shall have no application in determining any fee under this code or the Revenue and Taxation Code other than Section 9400.

## **DIVISION 2. ADMINISTRATION**

### **Chapter 1. The Department of Motor Vehicles**

#### **Article 3. Records of Department**

### **§ 1808.1. Employer Notification.**

(a) The prospective employer of a driver who drives any vehicle specified in subdivision (l) shall obtain a report showing the driver's current public record as recorded by the department [DMV]. For purposes of this subdivision, a report is current if it was issued less than 30 days prior to the date the employer employs the driver. The report shall be reviewed, signed, and dated by the employer and maintained at the employer's place of business until receipt of the pull notice system report pursuant to subdivisions (b)

and (c). These reports shall be presented upon request to any authorized representative of the Department of the California Highway Patrol during regular business hours.

(b) The employer of a driver who drives any vehicle specified in subdivision (l) shall participate in a pull notice system, which is a process for the purpose of providing the employer with a report showing the driver's current public record as recorded by the department [DMV], and any subsequent convictions, failures to appear, accidents, driver's license suspensions, driver's license revocations, or any other actions taken against the driving privilege or certificate, added to the driver's record while the employer's notification request remains valid and uncanceled. As used in this section, participation in the pull notice system means obtaining a requester code and enrolling all employed drivers who drive any vehicle specified in subdivision (l) under that requester code.

(c) The employer of a driver of any vehicle specified in subdivision (l) shall, additionally, obtain a periodic report from the department [DMV] at least every six months, except that an employer who enrolls more than 500 drivers in the pull notice system under a single requester code shall obtain a report at least every 12 months. The employer shall verify that each employee's driver's license has not been suspended or revoked, the employee's traffic violation point count, and whether the employee has been convicted of a violation of Section 23152 or 23153. The report shall be signed and dated by the employer and maintained at the employer's principal place of business. The reports shall be presented upon demand to any authorized representative of the Department of the California Highway Patrol during regular business hours.

(d) Upon the termination of a driver's employment, the employer shall notify the department [DMV] to discontinue the driver's enrollment in the pull notice system.

(e) For the purposes of the pull notice system and periodic report process required by subdivisions (b) and (c), owners, other than owner-operators as defined in Section 34624, and employers who drive vehicles described in subdivision (l), shall be enrolled as if they were employees. Family members and volunteer drivers who drive vehicles described in subdivision (l) shall also be enrolled as if they were employees.

(f) An employer who, after receiving any driving record pursuant to this section, employs or continues to employ as a driver any person against whom a disqualifying action has been taken regarding his or her driving privilege or required driver's certificate, is guilty of a public offense, and upon conviction thereof, shall be punished by imprisonment in the county jail for not more than six months, by a fine of not more than one thousand dollars (\$1,000), or by both that fine and imprisonment.

(g) As part of its inspection of bus maintenance facilities and terminals required at least once every 13 months pursuant to subdivision (c) of Section 34501, the Department of the California Highway Patrol shall determine whether each transit operator, as defined in Section 99210 of the Public Utilities Code, is then in compliance with this section and Section 12804.6, and shall certify each operator found to be in compliance. No funds shall be allocated under Chapter 4 (commencing with Section 99200) of Part 11 of Division 10 of the Public Utilities Code to a transit operator which the Department of the California Highway Patrol has not certified under this section.

(h) A request to participate in the pull notice system established by this section shall be accompanied by a fee determined by the department [DMV] to be sufficient to defray the entire actual cost to the department [DMV] for the notification service. For the receipt of subsequent reports, the employer shall also be charged a fee established by the department [DMV] pursuant to Section 1811. Any employer who qualifies under Section 1812 shall be exempt from any fee required under this section. Failure to pay the fee shall result in automatic cancellation of the employer's participation in the notification services.

(i) The department [DMV], as soon as feasible, may establish an automatic procedure to provide the periodic reports in subdivision (c) to employers on a regular basis without the need for individual requests.

(j) This section shall not be construed to change the definition of "employer," "employee," or "independent contractor" for any other purpose.

(k) The employer of a driver who is employed as a casual driver is not required to enter that driver's name in the pull notice system, as otherwise required by subdivision (a). However, the employer of a casual driver shall be in possession of a report of the driver's current public record as recorded by the department [DMV], prior to allowing a casual driver to drive any vehicle specified in subdivision (l). A report is current if it was issued less than six months prior to the date the employer employs the driver. As used in this subdivision, a driver is employed as a casual driver when the employer has employed the driver less than 30 days during the preceding six months. For purposes of this subdivision, "casual driver" does not include any driver who operates a vehicle that requires a passenger transportation endorsement.

(l) This section applies to any vehicle for the operation of which the driver is required to have a . . . class A, or class B driver's license . . . or a certificate issued pursuant to Section 2512, 12517, 12519, 12520, 12523, or 12523.5, or any passenger vehicle having a seating capacity of not more than 10 persons, including the driver, operated for compensation by a charter-party carrier of passengers or passenger stage corporation pursuant to a certificate of public convenience and necessity or a permit issued by the Public Utilities Commission.

## **Chapter 2.5. Licenses Issued by California Highway Patrol**

### **Article 1. General Provisions**

#### **§ 2501. Licenses.**

The Commissioner of the California Highway Patrol may issue licenses for the operation of privately owned or operated . . . armored cars . . . . Such licenses shall be issued in accordance with the provisions of this chapter and regulations adopted by the commissioner pursuant thereto. All licenses issued by the commissioner shall expire one year from the date of issue. Licenses may be renewed upon application and payment of the renewal fees if the application for renewal is made within the 30-day period prior to the date of expiration. Persons whose licenses have expired shall immediately cease the activity requiring a license, but the commissioner shall accept applications for renewal during the 30-day period following the date of expiration if they are accompanied by the new license fee. In no case shall a license be renewed where the application is received more than 30 days after the date of expiration.

#### **§ 2502. Form of Application; Fee.**

(a) Except as otherwise provided in this section, each application for a new or renewal license shall be accompanied by a fee of ten dollars (\$10) for a new license or five dollars (\$5) for a renewal license. . . .

(d) Each application shall be made upon a form furnished by the commissioner. It shall contain information concerning the applicant's background and experience which the commissioner may prescribe, in addition to other information required by law.

#### **§ 2503 Transfer or Replacement of License.**

(a) Licenses issued by the commissioner shall not be transferable. A change in ownership or control of the licensed activity shall render the existing license null and void and a new license shall be required. A change in ownership or control includes, but is not limited to, a change in corporate status, or a stock transfer of shares possessing more than 50 percent of the voting power of the corporation. A change in ownership or control does not include the addition or deletion of partners, officers, directors, or board members comprising 50 percent or less ownership or control of the licensed activity if both of the following are complied with:

(1) The new partners, officers, directors, or board members have not committed any acts described in Section 2541.

(2) An amended license application form indicating the changes and any other information required pursuant to subdivision (d) of Section 2502 is submitted to the commissioner within 10 days of the change.

(b) In the event of a change of name, not involving a change of ownership or control, the license shall be returned to the commissioner for cancellation, and a new license application form shall be submitted. The commissioner shall cancel the returned license and issue a new license for the unexpired term without a fee.

(c) In the event of loss, destruction, or mutilation of a license issued by the commissioner, the person to whom it was issued may obtain a duplicate upon paying a fee of five dollars (\$5). Any person who loses a license issued by the commissioner and who, after obtaining a duplicate, finds the original license, shall immediately surrender the original license to the commissioner.

(d) Any change of address or relocation of a licensed service shall be reported to the commissioner within 10 days.

#### **§ 2504. Violation of Regulations.**

It is unlawful to violate any regulation adopted by the commissioner pursuant to this chapter.

## **Article 2. Privately Owned and Operated Ambulances and Armored Cars**

### **§ 2510. License for . . . Armored Car.**

(a) A person applying for a license to operate . . . armored cars shall provide separate identification data and reports of inspection for each vehicle as prescribed by the commissioner.

(b) No person shall operate a privately owned . . . armored car until the California Highway Patrol has determined that the vehicle is in compliance with this code and regulations adopted by the commissioner. . . .

## **Article 5. Denial, Suspension and Revocation**

### **§ 2540. Denial, Suspension or Revocation of License.**

Any license issued may be suspended or revoked by the commissioner. The commissioner may refuse to issue a license to any applicant for the reasons set forth in Section 2531 or 2541. The proceedings under this article shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the commissioner shall have all the powers granted therein.

### **§ 2541. Grounds for Denial of License.**

(a) The commissioner may deny a license if the applicant or any partner, officer, or director thereof:

(1) Fails to meet the qualifications established by the department [CHP] pursuant to this chapter for the issuance of the license applied for.

(2) Was previously the holder of a license issued under this chapter which license has been revoked and never reissued or which license was suspended and the terms of the suspension have not been fulfilled.

(3) Has committed any act which, if committed by any licensee, would be grounds for the suspension or revocation of a license issued pursuant to this chapter.

(4) Has committed any act involving dishonesty, fraud, or deceit whereby another is injured or whereby the applicant has benefited.

(5) Has acted in the capacity of a licensed person or firm under this chapter without having a license therefor.

(6) Has entered a plea of guilty or nolo contendere to, or been found guilty of, or been convicted of, a felony, or a crime involving moral turpitude, and the time for appeal has elapsed or the judgment of conviction has been affirmed on appeal, irrespective of an order granting probation following such conviction, suspending the imposition of sentence, or of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the plea or verdict of guilty, or dismissing the accusation or information.

(b) The commissioner may also deny a license if a corporation is the applicant and the policy or activities of the corporation are or will be directed, controlled, or managed by individuals or shareholders who are ineligible for a license, and the licensing of that corporation would likely defeat the purpose of this section.

### **§ 2542. Grounds for Disciplinary Action.**

The commissioner may suspend, revoke, or take other disciplinary action against a license as provided in this article if the licensee or any partner, officer, director, controlling shareholder, or manager thereof:

(a) Violates any section of this code which relates to his or her licensed activities.

(b) Is convicted of any felony.

(c) Is convicted of any misdemeanor involving moral turpitude.

(d) Violates any of the regulations promulgated by the commissioner pursuant to this chapter.

(e) Commits any act involving dishonesty, fraud, or deceit whereby another is injured or any act involving moral turpitude.

(f) Has misrepresented a material fact in obtaining a license.

(g) Aids or abets an unlicensed person to evade this chapter.

(h) Fails to make and keep records showing his or her transactions as a licensee, or fails to have these records available for inspection by the commissioner or his or her duly authorized representative for a

period of not less than three years after completion of any transaction to which the records refer, or refuses to comply with a written request of the commissioner to make such record available for inspection.

(i) Violates or attempts to violate this chapter relating to the particular activity for which he or she is licensed.

(j) Fails to equip or maintain his or her vehicles, as required by this code or by the regulations adopted pursuant to this code.

#### **§ 2543. Convictions.**

A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this article. The commissioner may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.

#### **§ 2544. Disciplinary Actions.**

The commissioner may take disciplinary action against any license after a hearing as provided in this chapter by any of the following:

- (a) Imposing probation upon terms and conditions to be set forth by the commissioner.
- (b) Suspending the license.
- (c) Revoking the license.

#### **§ 2545. Surrender of License.**

Upon the effective date of any order of suspension or revocation of any license governed by this chapter, the licensee shall surrender the license to the commissioner.

#### **§ 2546. Continuing Jurisdiction.**

The expiration or suspension of a license by operation of law or by order or decision of the commissioner or a court of law, or the voluntary surrender of a license by a licensee shall not deprive the commissioner of jurisdiction to proceed with any investigation of or action or disciplinary proceedings against such licensee, or to render a decision suspending or revoking such license.

#### **§ 2547. Period for Filing Accusations.**

All accusations against licensees shall be filed within three years after the act or omission alleged as the ground for disciplinary action, except that with respect to an accusation alleging a violation of subdivision (f) of Section 2542, the accusation may be filed within two years after the discovery by the California Highway Patrol of the alleged facts constituting the fraud or misrepresentation prohibited by said section.

#### **§ 2548. Revocation or Suspension of Additional Licenses.**

When any license has been revoked or suspended following a hearing under the provisions of this chapter, any additional license issued under this chapter in the name of the licensee may be likewise revoked or suspended by the commissioner.

#### **§ 2549. Reinstatement of License.**

After suspension of the license upon any of the grounds set forth in this article, the commissioner may reinstate the license upon proof of compliance by the applicant with all provisions of the decision as to reinstatement. After revocation of a license upon any of the grounds set forth in this article, the license shall not be reinstated or reissued within a period of one year after the effective date of revocation.

## **Chapter 4. Administration and Enforcement**

### **Article 1. Lawful Orders and Inspections**

#### **§ 2800. Obedience to Traffic Officers.**

(a) It is unlawful to willfully fail or refuse to comply with any lawful order, signal, or direction of any peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, when that peace officer is in uniform and is performing duties under any of the provisions of this code, or to refuse to submit to any lawful inspection under this code.

## **DIVISION 3. REGISTRATION OF VEHICLES AND CERTIFICATES OF TITLE**

### **Chapter 1. Original and Renewal Registration; Issuance of Certificates of Title**

#### **Article 8. Special Plates**

#### **§ 5004. Vehicles of Historic Value.**

(a) Notwithstanding any other provision of this code, any owner of a vehicle described in paragraph (1), (2), or (3) which is operated or moved over the highway primarily for the purpose of historical exhibition or other similar purpose shall, upon application in the manner and at the time prescribed by the department [DMV], be issued special identification plates for the vehicle:

(1) A motor vehicle with an engine of 16 or more cylinders manufactured prior to 1965.

(2) A motor vehicle manufactured in the year 1922 or prior thereto.

(3) A vehicle which was manufactured after 1922, is at least 25 years old, and is of historic interest.

(c) A fee of twenty-five dollars (\$25) shall be charged for the initial issuance of the special identification plates. . . .

(e) These vehicles shall not be exempt from the equipment provisions of Sections 26709, 27150, and 27600.

(f) As used in this section, a vehicle is of historic interest if it is collected, restored, maintained, and operated by a collector or hobbyist principally for purposes of exhibition and historic vehicle club activities.

#### **§ 5011.5. Special License Plates: Charter-Party Carrier: Limousine.**

Every limousine operated by a charter-party carrier, as defined by subdivision (h) of Section 5371.4 of the Public Utilities Code, shall display a special identification license plate issued pursuant to Section 5385.6 of that code.

## **DIVISION 7. FINANCIAL RESPONSIBILITY LAWS**

### **Chapter 1. Compulsory Financial Responsibility**

#### **Article 2. Financial Responsibility**

#### **§ 16020. Evidence of Financial Responsibility.**

(a) Every driver and every owner of a motor vehicle shall at all times be able to establish financial responsibility pursuant to Section 16021, and shall at all times carry in the vehicle evidence of the form of financial responsibility in effect for the vehicle.

(b) "Evidence of financial responsibility" means any of the following:

(1) A form issued by an insurance company, as specified by the department [DMV] pursuant to Section 4000.37.

(2) If the owner is a self-insurer, as provided in Section 16052 or a depositor, as provided in Section 16054.2, the certificate of self-insurance or the assignment of deposit letter issued by the department [DMV].

(3) An insurance covering note or binder pursuant to Section 382 or 382.5 of the Insurance Code.

(4) A showing that the vehicle is owned or leased by, or under the direction of, the United States or any public entity, as defined in Section 811.2 of the Government Code.

(c) For purposes of this section, "evidence of financial responsibility" also may be obtained by a law enforcement officer from the electronic reporting system established by the department [DMV].

(d) For purposes of this section, "evidence of financial responsibility" also includes any of the following:

(1) The number of an insurance policy or surety bond that was in effect at the time of the accident or at the time that evidence of financial responsibility is required to be provided pursuant to Section 16028, if that information is contained in the vehicle registration records of the department [DMV].

(2) The identifying motor carrier of property permit number issued by the Department of the California Highway Patrol to the motor carrier of property as defined in Section 34601, and displayed on the motor vehicle in the manner specified by the Department of the California Highway Patrol.

(3) The identifying number issued to the household goods carrier, passenger stage carrier, or transportation charter party carrier by the Public Utilities Commission and displayed on the motor vehicle in the manner specified by the commission.

(4) The identifying number issued by the Interstate Commerce Commission or its successor federal agency, if proof of financial responsibility must be presented to the issuing agency as part of the identification number issuance process, and displayed on the motor vehicle in the manner specified by the issuing agency.

(e) Evidence of financial responsibility does not include any of the identification numbers in paragraph (1), (2), (3), or (4) of subdivision (d) if the carrier is currently suspended by the issuing agency for lack or lapse of insurance or other form of financial responsibility.

#### **§ 16021. Establishing Financial Responsibility.**

Financial responsibility of the driver or owner is established if the driver or owner of the vehicle involved in an accident described in Section 16000 is:

(a) A self-insurer under the provisions of this division.

(b) An insured or obligee under a form of insurance or bond which complies with the requirements of this division and which covers the driver for the vehicle involved in the accident.

(c) The United States of America, this state, any municipality or subdivision thereof, or the lawful agent thereof.

(d) A depositor in compliance with subdivision (a) of Section 16054.2.

(e) In compliance with the requirements authorized by the department [DMV] by any other manner which effectuates the purposes of this chapter.

### **Chapter 4. Commercial Vehicles**

#### **§ 16500. Proof Required: Commercial Passenger Vehicles.**

Every owner of a vehicle used in the transportation of passengers for hire, including taxicabs, when the operation of the vehicle is not subject to regulation by the Public Utilities Commission, shall maintain, whenever he or she may be engaged in conducting those operations, proof of financial responsibility resulting from the ownership or operation of the vehicle and arising by reason of personal injury to, or death of, any one person, of at least fifteen thousand dollars (\$15,000), and, subject to the limit of fifteen thousand dollars (\$15,000) for each person injured or killed, of at least thirty thousand dollars (\$30,000) for the injury to, or the death of, two or more persons in any one accident, and for damages to property of at least five thousand dollars (\$5,000) resulting from any one accident. Proof of financial responsibility may be maintained by either:

(a) Being insured under a motor vehicle liability policy against that liability.

(b) Obtaining a bond of the same kind, and containing the same provisions, as those bonds specified in Section 16434.

(c) By depositing with the department [DMV] thirty-five thousand dollars (\$35,000), which amount shall be deposited in a special deposit account with the Controller for the purpose of this section.

(d) Qualifying as a self-insurer under Section 16053.

The department [DMV] shall return the deposit to the person entitled thereto when he or she is no longer required to maintain proof of financial responsibility as required by this section or upon his or her death.

#### **§ 16500.5. Proof Required: Other Commercial Vehicles.**

(a) Except as specified in subdivision (b), the owner of the following commercial vehicles shall maintain proof of financial responsibility in the amount required by the director:

(1) A vehicle used to carry passengers for hire, except taxicabs as defined in subdivision (c) of Section 27908.

(2) A vehicle having an unladen weight of over 7,000 pounds which is used in the transportation of property in the conduct of a business.

(b) Subdivision (a) does not apply to the following vehicles: . . .

(4) A vehicle used in for-hire transportation which is subject to regulation by the Public Utilities Commission. . . .

(c) The director shall establish the amounts which are determined adequate to cover damages resulting from the ownership or operation of a commercial vehicle or vehicles subject to this section arising by reason of personal injury to, or death of, any person or damage to property, or both. The director shall establish the amounts at levels equal to those prescribed by the Public Utilities Commission for owners and operators of for-hire vehicles subject to its jurisdiction and control.

(d) Proof of financial responsibility may be maintained by any of the following:

(1) Being insured under one or more motor vehicle liability policies against that liability.

(2) Obtaining a bond of the same kind, and containing the same provisions, as those bonds specified in Section 16434.

(3) By depositing with the department [DMV] five hundred thousand dollars (\$500,000), which amount shall be deposited in a special deposit account with the Controller for the purpose of this section.

(4) Qualifying as a self-insurer under Section 16053.

(e) The department [DMV] shall return the deposit made pursuant to paragraph (3) of subdivision (d) to the person entitled thereto when the owner is no longer required to maintain proof of financial responsibility as required by this section or upon the owner's death.

(f) An insurer, agent, or broker who has been incorrectly informed by an owner of a vehicle or his or her representative that the vehicle is 7,000 pounds or less unladen weight, or is incorrectly informed by the owner or his or her representative that the vehicle is exempt from the requirements of subdivisions (a) and (c) pursuant to the exemptions set forth in subdivision (b), may issue a policy of motor vehicle liability insurance in any amount less than that required by the director but not less than the amounts required under Section 16451. The policy of motor vehicle liability insurance when issued shall not be deemed to provide liability coverage amounts greater than that specifically set forth in the policy notwithstanding that the vehicle weighs in excess of 7,000 pounds unladen weight or is subsequently used in a manner which would have required the vehicle to be insured in the amounts established by the director pursuant to subdivision (c).

#### **§ 16501. Power of Local Authorities.**

The provisions of this chapter shall not prevent local authorities, within the reasonable exercise of the police power, from adopting rules and regulations, by ordinance or resolution, licensing and regulating the operation of any vehicle for hire and the drivers of passenger vehicles for hire.

#### **§ 16502. Prohibited Use.**

No owner shall use, or with his or her consent permit the use of, any vehicle used in the transportation of persons or property in the conduct of a business, without maintaining proof of financial responsibility as required by this chapter.

### **DIVISION 9. CIVIL LIABILITY**

#### **Chapter 1. Civil Liability of Owners and Operators of Vehicles**

##### **Article 2. Private Owners**

#### **§ 17150. Liability of Private Owners.**

Every owner of a motor vehicle is liable and responsible for death or injury to person or property resulting from a negligent or wrongful act or omission in the operation of the motor vehicle, in the business of the owner or otherwise, by any person using or operating the same with the permission, express or implied, of the owner.



## **DIVISION 11. RULES OF ROAD**

### **Chapter 3. Driving, Overtaking and Passing**

#### **Article 2. Additional Driving Rules**

##### **§ 21713. Armored Cars.**

No person shall operate on any highway any privately owned armored car unless a license to operate such car has first been obtained from the commissioner in accordance with Chapter 2.5 (commencing with Section 2500) of Division 2.

Violation of this section is a misdemeanor and upon conviction is punishable by a fine not exceeding one thousand dollars (\$1,000) or by imprisonment in the county jail for not to exceed six months or by both such fine and imprisonment.

### **Chapter 7. Speed Laws**

#### **Article 1. Generally**

##### **§ 22350. Basic Speed Law.**

No person shall drive a vehicle upon a highway at a speed greater than is reasonable or prudent having due regard for weather, visibility, the traffic on, and the surface and width of, the highway, and in no event at a speed which endangers the safety of persons or property.

## **DIVISION 12. EQUIPMENT OF VEHICLES**

### **Chapter 1. General Provisions**

##### **§ 24002. Vehicle Not Equipped or Unsafe.**

(a) It is unlawful to operate any vehicle or combination of vehicles which is in an unsafe condition, or which is not safely loaded, and which presents an immediate safety hazard.

(b) It is unlawful to operate any vehicle or combination of vehicles which is not equipped as provided in this code.

##### **§ 24003. Vehicle With Unlawful Lamps.**

No vehicle shall be equipped with any lamp or illuminating device not required or permitted in this code, nor shall any lamp or illuminating device be mounted inside a vehicle unless specifically permitted by this code. This section does not apply to:

(a) Interior lamps such as door, brake and instrument lamps, and map, dash, and dome lamps designed and used for the purpose of illuminating the interior of the vehicle.

(b) Lamps needed in the operation or utilization of those vehicles mentioned in Section 25801, or vehicles used by public utilities in the repair or maintenance of their service, or used only for the illumination of cargo space of a vehicle while loading or unloading.

(c) Warning lamps mounted inside an authorized emergency vehicle and meeting requirements established by the department [CHP].

##### **§ 24004. Unlawful Operation After Notice by Officer.**

No person shall operate any vehicle or combination of vehicles after notice by a peace officer, as defined in Section 830.1 or subdivision (a) of Section 830.2 of the Penal Code, that the vehicle is in an unsafe condition or is not equipped as required by this code, except as may be necessary to return the vehicle or combination of vehicles to the residence or place of business of the owner or driver or to a garage, until the vehicle and its equipment have been made to conform with the requirements of this code.

The provisions of this section shall not apply to an employee who does not know that such notice has been issued, and in such event the provisions of Section 40001 shall be applicable.

##### **§ 24005. Sale, Transfer or Installation of Unlawful Equipment.**

It is unlawful for any person to sell, offer for sale, lease, install, or replace, either for himself or as the agent or employee of another, or through such agent or employee, any glass, lighting equipment, signal

devices, brakes, vacuum or pressure hose, muffler, exhaust, or any kind of equipment whatsoever for use, or with knowledge that any such equipment is intended for eventual use, in any vehicle, that is not in conformity with this code or regulations made thereunder.

## **Article 7. Flashing and Colored Lights**

### **§ 25262. Armored Cars.**

An armored car may be equipped with red lights which may be used while resisting armed robbery. At all other times the red lights shall not be lighted. The authority to use red lights granted by this section does not constitute an armored car an authorized emergency vehicle, and all other provisions of this code applicable to drivers of vehicles apply to drivers of armored cars.

## **Chapter 5. Other Equipment**

### **Article 1. Horns, Sirens, and Amplification Equipment**

#### **§ 27003. Sirens on Armored Cars.**

An armored car may be equipped with a siren which may be used while resisting armed robbery. At all other times, the siren shall not be sounded. The authority to use a siren granted by this section does not constitute an armored car an authorized emergency vehicle, and all other provisions of this code applicable to drivers of vehicles apply to drivers of armored cars.

## **Article 8. Signs**

### **§ 27900. Identification Required.**

(a) Every motor vehicle or combination of vehicles used to carry the property of others for hire or used to carry passengers for hire, and any truck or truck tractor having three or more axles or any truck tractor with a semitrailer, shall have displayed on both sides of each vehicle or one of the vehicles in each combination of vehicles the name or trademark of the person under whose authority the vehicle or combination of vehicles is being operated or the name of the lessor or lessee thereof.

(b) All names, trademarks, and other identifiers for companies no longer in business, no longer operating with the same name, or no longer operating under the same operating authority, shall be removed from or covered over on every motor vehicle or combination of vehicles used to carry the property of others for hire or used to carry passengers for hire, and any truck or truck tractor having three or more axles or any truck tractor with a semitrailer, within 60 days from the change of company ownership or operation, and shall be remarked pursuant to subdivision (a) before those vehicles may be operated on the highways.

#### **§ 27901. Name and Trademark.**

The display of the name or trademark shall be in letters in sharp contrast to the background and shall be of such size, shape, and color as to be readily legible during daylight hours from a distance of 50 feet.

This section does not prohibit additional displays not inconsistent with this article.

#### **§ 27902. Exemption.**

Section 27900 does not apply to any motor vehicle having an unladen weight of 6,000 pounds or less or to any vehicle towed by such motor vehicles, or to any motor vehicle operating under manufacturers, dealers, or transporters special plates, or to any motor vehicle operated by a passenger stage corporation subject to the jurisdiction of the Public Utilities Commission.

## **DIVISION 14.8. SAFETY REGULATIONS**

### **§ 34500. Required Regulations.**

The department [CHP] shall regulate the safe operation of the following vehicles:

- (a) Motortrucks of three or more axles that are more than 10,000 pounds gross vehicle weight rating.
- (b) Truck tractors.
- (d) Trailers and semitrailers designed or used for the transportation of more than 10 persons, and the towing motor vehicle.
- (e) Trailers and semitrailers . . . used in combination with vehicles listed in subdivision (a), (b), (c), or (d). . . .
- (f) Any combination of a motortruck and any vehicle or vehicles set forth in subdivision (e) that exceeds 40 feet in length when coupled together.
- (g) Any truck, or any combination of a truck and any other vehicle, transporting hazardous materials. . . .
- (j) Any other motortruck not specified in subdivisions (a) to (h), inclusive, or subdivision (k), that is regulated by the Public Utilities Commission or the Interstate Commerce Commission, but only for matters relating to hours of service and logbooks of drivers.
- (k) Any commercial motor vehicle with a gross vehicle weight rating of 26,001 or more pounds or any commercial motor vehicle of any gross vehicle weight rating towing any vehicle described in subdivision (e) with a gross vehicle weight rating of more than 10,000 pounds, except combinations including camp trailers, trailer coaches, or utility trailers. For purposes of the subdivision, the term "commercial motor vehicle" has the meaning defined in subdivision (b) of Section 15210. . . .

### **§ 34505.5. Periodic Inspection by Motor Carrier.**

(a) Every motor carrier operating any vehicle described in subdivision (a), (b), (e), (f), or (g) of Section 34500, except those vehicles exempted under Section 34501.12, shall, as a part of the systematic inspection, maintenance, and lubrication services required of all motor carriers, require the vehicle or vehicles for which it is responsible pursuant to Section 34501.12 to be inspected at least every 90 days, or more often if necessary to ensure safe operation. Vehicles which are out of service for periods greater than 90 calendar days are not required to be inspected at 90-day intervals if they are inspected before operation on the highway. This inspection shall include, but not be limited to, all of the following:

- (1) Brake adjustment.
- (2) Brake system components and leaks.
- (3) Steering and suspension systems.
- (4) Tires and wheels.
- (5) Vehicle connecting devices.

(b) No vehicle subject to this section shall be operated on the highway other than to a place of repair until all defects listed during the inspection conducted pursuant to subdivision (a) have been corrected and attested to by the signature of the motor carrier's authorized representative.

(c) Records of inspections conducted pursuant to subdivision (a) shall be kept at the motor carrier's terminals, as designated in accordance with Section 34501.12. The records shall be retained by the motor carrier for two years, and shall be made available for inspection upon request by any authorized employee of the department [CHP]. Each record shall include, but not be limited to, all of the following:

- (1) Identification of the vehicle, including make, model, license number, company vehicle number, or other means of positive identification.
- (2) Date and nature of each inspection and any repair performed.
- (3) Signature of the motor carrier's authorized representative attesting to the inspection and to the completion of all required repairs.

(d) Printouts of inspection and maintenance records maintained in computer systems shall be accepted in lieu of signed inspection or repair records if the printouts include the information required in paragraphs (1) and (2) of subdivision (c).

(e) Notwithstanding subdivisions (a) to (d), inclusive, records of 90-day inspections need not be retained in California for interstate vehicles which are not physically based in California. However, when these vehicles are present in California, they are subject to inspection by the department [CHP]. If the inspection results indicate maintenance program deficiencies, the department [CHP] may require the

motor carrier to produce the maintenance records or copies of those records for inspection within 10 working days.

**§ 34505.6. Motor Carriers of Property and Motortrucks: Failure to Meet Requirements.**

(a) Upon determining that a motor carrier of property who is operating any vehicle described in subdivision (a), (b), (e), (f), (g), or (k) of Section 34500, or any motortruck of two or more axles that is more than 10,000 pounds gross vehicle weight rating, on a public highway, has done any of the following, the department [CHP] shall recommend that the Department of Motor Vehicles suspend or revoke the carrier's motor carrier permit, or for interstate operators, the department [CHP] shall recommend to the federal Highway Administration Office of Motor Carriers [Federal Motor Carrier Safety Administration] that appropriate administrative action be taken against the carrier:

(1) Failed to maintain any vehicle of a type described above in a safe operating condition or to comply with the Vehicle Code or with applicable regulations contained in Title 13 of the California Code of Regulations, and, in the department's [CHP's] opinion, that failure presents an imminent danger to public safety or constitutes a consistent failure so as to justify a suspension or revocation of the motor carrier's motor carrier permit.

(2) Failed to enroll all drivers in the pull notice system as required by Section 1808.1.

(3) Failed to submit any application or pay any fee required by subdivision (e) or (h) of Section 34501.12 within the timeframes set forth in that section.

**§ 34507.5. Carrier Identification Number.**

(a) Every motor carrier, as defined in Section 408, and every motor carrier of property, and for-hire motor carrier of property, as defined in Section 34601, shall obtain a carrier identification number from the department [CHP]. Application for a carrier identification number shall be on forms furnished by the department [CHP]. Information provided in connection with applications for carrier identification numbers shall be updated by motor carriers upon request from the department [CHP].

(b) The carrier identification number assigned to the motor carrier under whose operating authority or motor carrier permit the vehicle or combination of vehicles is being operated shall be displayed on both sides of each vehicle, or on both sides of at least one motor vehicle in each combination of the following vehicles while engaged in intrastate commerce:

(1) Each vehicle set forth in Section 34500.

(2) Any motortruck of two or more axles that is more than 10,000 pounds gross vehicle weight rating.

(3) Any other motortruck or motor vehicle used to transport property for compensation.

(c) A vehicle or combination of vehicles listed in subdivision (b) that is operated under a rental agreement with a term of not more than 30 calendar days shall meet all of the following requirements:

(1) Have displayed on both sides of each vehicle or on both sides of one of the vehicles in each combination of vehicles the name or trademark of the lessor.

(2) Have displayed on both sides of each vehicle or on both sides of one of the vehicles in each combination of vehicles any of the following numbers issued to the lessor:

(A) The carrier identification number issued by the United States Department of Transportation.

(B) A valid operating authority number.

(C) A valid motor carrier of property number.

(3) (A) Have in the vehicle or combination of vehicles a copy of the rental agreement entered into by the lessor and the vehicle operator.

(B) The rental agreement shall be available for inspection immediately upon the request of any authorized employee of the department [CHP] or any regularly employed and salaried police officer or deputy sheriff.

(C) If the rented vehicle or combination of vehicles is operated in conjunction with a commercial enterprise, the rental agreement shall include the operator's carrier identification number or motor carrier of property permit number.

(d) A vehicle or combination of vehicles that is in compliance with Section 390.21 of Title 49 of the Code of Federal Regulations shall be deemed to be in compliance with subdivision (c).

(e) This section does not apply to any of the following vehicles:

(1) Vehicles described in subdivision (f) of Section 34500, which are operated by a private carrier as defined in subdivision (d) of Section 34601, if the gross vehicle weight rating of the towing vehicle is 10,000 pounds or less, or the towing vehicle is a pickup truck, as defined in Section 471. This exception does not apply to vehicle combinations described in subdivision (k) of Section 34500.

(2) Vehicles described in subdivision (g) of Section 34500, which are operated by a private carrier as defined in subdivision (d) of Section 34601, if the hazardous material transportation does not require the display of placards pursuant to Section 27903, a license pursuant to Section 32000.5, or hazardous waste hauler registration pursuant to Section 25163 of the Health and Safety Code.

(3) Historical vehicles, as described in Section 5004, and vehicles that display special identification plates in accordance with Section 5011.

(4) Implements of husbandry as defined in Chapter 1 (commencing with Section 36000) of Division 16.

(5) Vehicles owned or operated by an agency of the federal government.

(6) Pickup trucks, as defined in Section 471, and two-axle daily rental trucks with gross vehicle weight ratings of less than 26,001 pounds, when operated in noncommercial use.

(f) Subdivision (b) does not apply to the following:

(1) Vehicles that display a valid operating authority or identification number assigned by the former Interstate Commerce Commission, or the Federal Highway Administration [Federal Motor Carrier Safety Administration], of the United States Department of Transportation.

(2) Vehicles that are regulated by, and that display a valid operating authority number issued by, the Public Utilities Commission, including household goods carriers as defined in Section 5109 of the Public Utilities Code.

(3) For-hire motor carriers of passengers.

(g) The display of the carrier identification number shall be in sharp contrast to the background, and shall be of a size, shape, and color that it is readily legible during daylight hours from a distance of 50 feet.

(h) The carrier identification number for companies no longer in business, no longer operating with the same name, or no longer operating under the same operating authority, identification number, or motor carrier permit shall be removed before sale, transfer, or other disposal of any vehicle marked pursuant to this section.

## **DIVISION 14.85. MOTOR CARRIERS OF PROPERTY PERMIT ACT**

### **Chapter 1. General Provisions and Definitions**

#### **§ 34600. Designation of Division.**

This division shall be known and may be cited as the Motor Carriers of Property Permit Act.

#### **§ 34601. Definitions.**

(a) As used in this division, "motor carrier of property" means any person who operates any commercial motor vehicle as defined in subdivision (c). "Motor carrier of property" does not include a household goods carrier, as defined in Section 5109 of the Public Utilities Code, a household goods carrier transporting used office, store, and institution furniture and fixtures under its household goods carrier permit pursuant to Section 5137 of the Public Utilities Code, persons providing only transportation of passengers, or a passenger stage corporation transporting baggage and express upon a passenger vehicle incidental to the transportation of passengers.

(b) As used in this division, "for-hire motor carrier or property" means a motor carrier of property as defined in subdivision (a) who transports property for compensation.

(c) (1) As used in this division, except as provided in paragraph (2), a "commercial motor vehicle" means any self-propelled vehicle listed in subdivisions (a), (b), (f), (g), and (k) of Section 34500, any motor truck of two or more axles that is more than 10,000 pounds gross vehicle weight rating, and any other motor vehicle used to transport property for compensation.

(2) "Commercial motor vehicle" does not include vehicles operated by household goods carriers, as defined in Section 5109 of the Public Utilities Code, vehicles operated by a household goods carrier to transport used office, store, and institution furniture and fixtures under its household goods carrier permit pursuant to Section 5137 of the Public Utilities Code, or pickup trucks as defined in Section 471, two-axle daily rental trucks with gross vehicle weight ratings less than 26,001 pounds when operated in noncommercial use or a motor truck or two-axle truck tractor, with a gross vehicle weight rating of less than 26,001 pounds, used solely to tow a camp trailer, trailer coach, fifth-wheel travel trailer, or utility trailer. Vehicle combinations described in this paragraph are not subject to Sections 27900, 34501.12, and 34507.5.

(d) For purposes of this chapter, "private carrier" means a motor carrier of property, as defined in subdivision (a), who does not transport any goods or property for compensation.

## **Chapter 2. Motor Carrier Permits**

### **§ 34620. Permits Required.**

(a) Except as provided in subdivision (b) and Section 34622, no motor carrier of property shall operate a commercial motor vehicle on any public highway in this state unless it has complied with Section 34507.5 and has registered with the department [DMV] its carrier identification number authorized or assigned thereunder. The department [DMV] shall issue a motor carrier permit upon the carrier's written request, compliance with Sections 34507.5, 34630, and 34640, and the payment of the fee required by this chapter.

(b) No person shall contract with, or otherwise engage the services of, a motor carrier of property unless that motor carrier holds a valid motor carrier of property permit issued by the department [DMV]. No motor carrier of property shall contract or subcontract with, or otherwise engage the services of, another motor carrier of property until the contracted motor carrier of property provides certification in the manner prescribed by this section, of compliance with subdivision (a). This certification shall be completed by the contracted motor carrier of property and shall include a provision requiring the contracted motor carrier of property to immediately notify the person to whom they are contracted if the contracted motor carrier of property's permit is suspended or revoked. A copy of the contracted motor carrier of property's permit shall accompany the required certificate. The Department of the California Highway Patrol shall, by regulation, prescribe the format for the certificate and may make available an optional specific form for that purpose. The certificate, or a copy thereof, shall be maintained by each involved party for the duration of the contract or period of service plus two years, and shall be presented for inspection at the location designated by each carrier under Section 34501.10, immediately upon the request of an authorized employee of the Department of the California Highway Patrol.

(c) Motor carriers of property who were in compliance with the insurance requirements of this state on the day prior to the effective date of this section and continue to be in compliance with those requirements may continue to operate until directed by the department [DMV] to obtain a motor carrier permit as required by subdivision (a). The department [DMV] shall require all of those carriers to obtain permits pursuant to subdivision (a) on or before December 31, 1998.

### **§ 34621. Motor Carrier Permit Application.**

(a) The fee required by Section 7232 of the Revenue and Taxation Code shall be paid to the department [DMV] upon initial application for a motor carrier permit and for annual renewal.

(b) Every application for an original or a renewal motor carrier permit shall contain all of the following information:

(1) The full name of the motor carrier; any fictitious name under which it is doing business; address, both physical and mailing; and business telephone number.

(2) Status as individual, partnership, owner-operator, or corporation, and officers of corporation and all partners.

(3) Name, address, and driver's license number of owner-operator.

(4) California carrier number, number of commercial motor vehicles in fleet, interstate or intrastate operations, State Board of Equalization, federal Department of Transportation or Interstate Commerce Commission number, as applicable.

(6) Evidence of financial responsibility.

(7) Evidence of Workman's Compensation coverage, if applicable.

(8) Any other information necessary to enable the department [DMV] to determine whether the applicant is entitled to a permit.

### **§ 34623. Suspension of the Motor Carrier Permit.**

(a) The Department of the California Highway Patrol has exclusive jurisdiction for the regulation of safety of operation of motor carriers of property.

(b) The motor carrier permit of a motor carrier of property may be suspended for failure to do any of the following:

(1) Maintain any vehicle of the carrier in a safe operating condition or to comply with this code or with applicable regulations contained in Title 13 of the California Code of Regulations, if that failure is either a consistent failure or presents an imminent danger to public safety.

(2) Enroll all drivers in the pull notice system as required by Section 1808.1.

(3) Submit any application or pay any fee required by subdivision (e) or (h) of Section 34501.12 within the timeframes set forth in that section.

(c) The department [DMV], pending a hearing in the matter pursuant to subdivision (e), may suspend a carrier's permit.

(d) (1) A motor carrier whose motor carrier permit is suspended pursuant to subdivision (b) may obtain a reinspection of its terminal and vehicles by the Department of the California Highway Patrol by submitting a written request for reinstatement to the department [DMV] and paying a reinstatement fee as required by Section 34623.5.

(2) A motor carrier whose motor carrier permit is suspended for failure to submit any application or to pay any fee required by Section 34501.12 shall present proof of having submitted such application or have paid that fee to the Department of the California Highway Patrol before applying for reinstatement of its motor carrier permit.

(3) The department [DMV] shall deposit all reinstatement fees collected from motor carriers of property pursuant to this section in the fund. Upon receipt of the fee, the department [DMV] shall forward a request to the Department of the California Highway Patrol, which shall perform a reinspection within a reasonable time, or shall verify receipt of the application or fee or both the application and fee. Following the term of a suspension imposed under Section 34670, the department [DMV] shall reinstate a carrier's motor carrier permit suspended under subdivision (b) upon notification by the Department of the California Highway Patrol that the carrier's safety compliance has improved to the satisfaction of the Department of the California Highway Patrol, or that the required application or fees have been received by the Department of the California Highway Patrol, unless the permit is suspended for another reason or has been revoked.

(e) Whenever the department [DMV] suspends the permit of any carrier pursuant to subdivision (b) or paragraph (3) of subdivision (h), the department [DMV] shall furnish the carrier with written notice of the suspension and shall provide for a hearing within a reasonable time, not to exceed 21 days, after a written request is filed with the department [DMV]. At the hearing, the carrier shall show cause why the suspension should not be continued. Following the hearing, the department [DMV] may terminate the suspension, continue the suspension in effect, or revoke the permit. The department [DMV] may revoke the permit of any carrier suspended pursuant to subdivision (b) at any time that is 90 days or more after its suspension if the carrier has not filed a written request for a hearing with the department [DMV] or has failed to submit a request for reinstatement pursuant to subdivision (d).

(f) Notwithstanding any other provision of this code, no hearing shall be provided when the suspension of the motor carrier permit is based solely upon the failure of the motor carrier to maintain satisfactory proof of financial responsibility as required by this code, or failure of the motor carrier to submit an application or to pay fees required by Section 34501.12.

(g) A motor carrier of property may not operate a commercial motor vehicle on any public highway in this state during any period its motor carrier of property permit is suspended pursuant to this division.

(h) (1) A motor carrier of property whose motor carrier permit is suspended pursuant to this section or Section 34505.6, which suspension is based wholly or in part on the failure of the motor carrier to maintain any vehicle in safe operating condition, may not lease, or otherwise allow, another motor carrier to operate the vehicles of the carrier subject to the suspension, during the period of the suspension.

(2) A motor carrier of property may not knowingly lease, operate, dispatch, or otherwise utilize any vehicle from a motor carrier of property whose motor carrier permit is suspended, which suspension is based wholly or in part on the failure of the motor carrier to maintain any vehicle in safe operating condition.

(3) The department [DMV] may immediately suspend the motor carrier permit of any motor carrier that the department [DMV] determines to be in violation of paragraph (2).

#### **§ 34623.5. Motor Carrier Permit Reinstatement Fee.**

Notwithstanding any other provision of this code, before a permit may be reissued after a suspension has been terminated, there shall, in addition to any other fees required by this code, be paid to the department [DMV] a fee of one hundred fifty dollars (\$150).

#### **§ 34624. Owner-Operators.**

(a) The department [DMV] shall establish a classification of motor carrier of property known as owner-operators.

(b) As used in this section and in Sections 1808.1 and 34501.12, an owner-operator is a person who meets all of the following requirements:

(1) Holds a class A or class B driver's license . . . .  
(2) Owns, leases, or otherwise operates not more than one power unit and not more than three towed vehicles.

(3) Is required to obtain a permit as a motor carrier of property by the department [DMV] under this division.

(c) (1) As used in this section, "power unit" is a motor vehicle described in subdivision (a), (b), (g), (f), or (k) of Section 34500, or a motortruck of two or more axles that is more than 10,000 pounds gross vehicle weight rating, but does not include those vehicles operated by household goods carriers, as defined in Section 5109 of the Public Utilities Code or persons providing transportation of passengers. A "towed vehicle" is a nonmotorized vehicle described in subdivision (d), (e), (f), (g), or (k) of that section.

(2) As used in this section, subdivision (f) of Section 34500 includes only those combinations where the gross vehicle weight rating of the towing vehicle exceeds 11,500 pounds . . . .

(d) The department [DMV], upon suspending or revoking the driving privilege of an owner-operator shall also suspend the owner-operator's motor carrier permit, unless the owner-operator, within 15 days, shows good cause why the permit should not be suspended.

(e) This section shall not be construed to change the definition of "employer," "employee," or "independent contractor" for any other purpose.

### **Chapter 3. Insurance**

#### **§ 34630. Financial Responsibility.**

(a) A motor carrier permit shall not be granted to any motor carrier of property until there is filed with the department [DMV] proof of financial responsibility in the form of a currently effective certificate of insurance, issued by a company licensed to write that insurance in this state or by a nonadmitted insurer subject to Section 1763 of the Insurance Code, if the policy represented by the certificate meets the minimum insurance requirements contained in Section 34631.5. The certificate of insurance or surety bond shall provide coverage with respect to the operation, maintenance, or use of any vehicle for which a permit is required, although the vehicle may not be specifically described in the policy, or a bond of surety issued by a company licensed to write surety bonds in this state, or written evidence of self-insurance by providing the self-insured number granted by the department [DMV] on a form approved by the department [DMV].

(b) Proof of financial responsibility shall be continued in effect during the active life of the motor carrier permit. The certificate of insurance shall not be cancelable on less than 30 days' written notice from the insurer to the department [DMV] except in the event of cessation of operations as a permitted motor carrier of property.

(c) Whenever the department [DMV] determines or is notified that the certificate of insurance or surety bond of a motor carrier of property will lapse or be terminated, the department [DMV] shall suspend the carrier's permit effective on the date of lapse or termination unless the carrier provides evidence of valid insurance coverage pursuant to subdivision (a). If the carrier's permit is suspended, the carrier shall pay a reinstatement fee as set forth in Section 34623.5, and prior to conducting on-highway operations, present proof of financial responsibility pursuant to subdivision (a) in order to have the permit reinstated.

#### **§ 34631. Proof of Financial Responsibility.**

The proof of financial responsibility required under Section 34630 shall be evidenced by the deposit with the department [DMV], covering each vehicle used or to be used under the motor carrier permit applied for, of one of the following:

(a) A certificate of insurance, issued by a company licensed to write insurance in this state, or by a nonadmitted insurer subject to Section 1763 of the Insurance Code, if the policies represented by the certificate comply with Section 34630 and the rules promulgated by the department [DMV] pursuant to Section 34604.

(b) A bond of a surety company licensed to write surety bonds in the state.

(c) Evidence of qualification of the carrier as a self-insurer as provided for in subdivision (a) of Section 34630. However, any certificate of self-insurance granted to a motor carrier of property shall be limited to serve as proof of financial responsibility under paragraphs (1) and (2) of subdivision (a) of Section 34631.5 minimum limits only and shall not be acceptable as proof of financial responsibility for the coverage required pursuant to paragraph (3) or (4) of subdivision (a) of Section 34631.5.



### § 34631.5. Minimum Level of Financial Responsibility.

(a) (1) Every motor carrier of property as defined in Section 34601, except those subject to paragraph (2), (3), or (4), shall provide and thereafter continue in effect adequate protection against liability imposed by law upon those carriers for the payment of damages in the amount of a combined single limit of not less than seven hundred fifty thousand dollars (\$750,000) on account of bodily injuries to, or death of, one or more persons, or damage to or destruction of, property other than property being transported by the carrier for any shipper or consignee whether the property of one or more than one claimant in any one accident.

(2) Every motor carrier of property, as defined in Section 34601, who operates only vehicles under 10,000 pounds GVWR and who does not transport any commodity subject to paragraph (3) or (4), shall provide and thereafter continue in effect adequate protection against liability imposed by law for the payment of damages caused by bodily injuries to or the death of any person; or for damage to or destruction of property of others, other than property being transported by the carrier, in an amount not less than three hundred thousand dollars (\$300,000).

(3) Every intrastate motor carrier of property, as defined in Section 34601, who transports petroleum products in bulk, including waste petroleum and waste petroleum products, shall provide and thereafter continue in effect adequate protection against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries (including death resulting therefrom) in the amount of not less than five hundred thousand dollars (\$500,000) on account of bodily injuries to, or death of, one person; and protection against a total liability of those carriers on account of bodily injuries to, or death of more than one person as a result of any one accident, but subject to the same limitation for each person in the amount of not less than one million dollars (\$1,000,000); and protection in an amount of not less than two hundred thousand dollars (\$200,000) for one accident resulting in damage to or destruction to property other than property being transported by the carrier for any shipper or consignee, whether the property of one or more than one claimant; or a combined single limit in the amount of not less than one million two hundred thousand dollars (\$1,200,000) on account of bodily injuries to, or death of, one or more persons or damage to or destruction of property, or both, other than property being transported by the carrier for any shipper or consignee whether the property of one or more than one claimant in any one accident.

(4) Except as provided in paragraph (3), every motor carrier of property, as defined in Section 34601, that transports any hazardous material, as defined by Section 353, shall provide and thereafter continue in effect adequate protection against liability imposed by law on those carriers for the payment of damages for personal injury or death, and damage to or destruction of property, in amounts of not less than the minimum levels of financial responsibility specified for carriers of hazardous materials by the United States Department of Transportation in Part 387 (commencing with Section 387.1) of Title 49 of the Code of Federal Regulations. The applicable minimum levels of financial responsibility required are as follows:

Commodity Transported	Combined Single Limit Coverage
(A) Oil listed in Section 172.101 of Title 49 of the Code of Federal Regulations; hazardous waste, hazardous materials and hazardous substances defined in Section 171.8 of Title 49 of the Code of Federal Regulations and listed in Section 172.101 of Title 49 of the Code of Federal Regulations, but not mentioned in (C) or (D)	\$1,000,000
(B) Hazardous waste as defined in Section 25117 of the Health and Safety Code and in Article 1 (commencing with Section 66261.1) of Chapter 11 of Division 4.5 of Title 22 of the California Code of Regulations, but not mentioned in (C) or (D) .	\$1,000,000
(C) Hazardous substances, as defined in Section 171.8 of Title 49 of the Code of Federal Regulations, or liquefied compressed gas or compressed gas, transported in cargo tanks, portable tanks, or hopper-type vehicle with capacities in excess of 3,500 water gallons.	\$5,000,000
(D) Any quantity of class 1.1, 1.2, or 1.3 explosives; any quantity of poison gas [2.3] (Poison A); or highway route controlled quantity radioactive materials as defined in Section 173.403 of Title 49 of the Code of Federal Regulations.	\$5,000,000

(b) (1) The protection required under subdivision (a) shall be evidenced by the deposit with the department [DMV], covering each vehicle used or to be used in conducting the service performed by each motor carrier of property, an authorized certificate of public liability and property damage insurance, issued

by a company licensed to write the insurance in the State of California, or by a nonadmitted insurer subject to Section 1763 of the Insurance Code.

(2) The protection required under subdivision (a) by every motor carrier of property engaged in interstate or foreign transportation of property in or through California, shall be evidenced by the filing and acceptance of a department [DMV] authorized certificate of insurance, or qualification as a self-insurer as may be authorized by law.

(3) A certificate of insurance, evidencing the protection, shall not be cancelable on less than 30 days' written notice to the department [DMV], the notice to commence to run from the date notice is actually received at the office of the department [DMV] in Sacramento.

(4) Every insurance certificate or equivalent protection to the public shall contain a provision that the certificate or equivalent protection shall remain in full force and effect until canceled in the manner provided by paragraph (3).

(5) Upon cancellation of an insurance certificate or the cancellation of equivalent protection authorized by the Department of Motor Vehicles, the motor carrier permit of any motor carrier of property, shall stand suspended immediately upon the effective date of the cancellations.

(6) No carrier shall engage in any operation on any public highway of this state during the suspension of its permit.

(7) No motor carrier of property, whose permit has been suspended under paragraph (5) shall resume operations unless and until the carrier has filed an insurance certificate or equivalent protection in effect at the time and that meets the standards set forth in this section. The operative rights of the complying carriers shall be reinstated from suspension upon the filing of an insurance certificate or equivalent protection.

(8) In order to expedite the processing of insurance filings by the department [DMV], each insurance filing made should contain the insured's California carrier number, if known, in the upper right corner of the certificate.

#### **§ 34632. Verification of Vehicles Used By Motor Carriers.**

(a) Every motor carrier of property shall furnish the department [DMV] annually, as specified by the department [DMV], a list, prepared under oath, of all vehicles, described in Section 34601, used in transportation during the preceding year.

(b) If the carrier's insurer informs the department [DMV] that the carrier has failed to obtain insurance coverage for any vehicle reported on the list, the department [DMV] shall, in addition to any other applicable penalty provided in this division, suspend the carrier's permit.

#### **§ 34633. Motor Carriers' Employees.**

Every motor carrier of property with a carrier fleet of 20 or more commercial motor vehicles as defined in Section 34601 shall, under oath, file annually a report with the department [DMV] indicating the number, classification, and compensation of all employees and owner-operator drivers hired or engaged during the reporting period. The department [DMV] shall submit a copy of the report to the administrator of the corporation's workers' compensation self-insurance plan if the corporation is self-insured, or to the carrier's workers' compensation insurer if the carrier's workers' compensation protection is provided by a policy or policies of insurance.

#### **§ 34634. Suspension of Motor Carrier Permit For Worker's Compensation Violation.**

(a) Upon receipt of a stop order issued by the Director of Industrial Relations pursuant to Section 3710.1 of the Labor Code, the department [DMV] shall determine whether the motor carrier of property has filed a false statement relative to workers' compensation insurance coverage, in violation of statute, or rules or orders of the department [DMV]. If, after notice and opportunity to be heard, the department [DMV] determines that there has been a violation of statute, or rules or orders of the department [DMV], the department [DMV] shall, in addition to any other applicable penalty provided in this division, suspend the carrier's permit.

(b) Upon notification from the Director of Industrial Relations that a final judgment has been entered against any motor carrier of property as a result of an award having been made to an employee pursuant to Section 3716.2 of the Labor Code, the department [DMV] shall, 30 days from the date the carrier is mailed the notice pursuant to subdivision (c), revoke the carrier's permit unless the judgment has been satisfied or has been discharged in accordance with the bankruptcy laws of the United States or the carrier requests a hearing pursuant to subdivision (c).

(c) Within seven days of notification from the Director of Industrial Relations that a final judgment has been entered against any motor carrier of property as a result of an award having been made to an employee pursuant to Section 3716.2 of the Labor Code, the department [DMV] shall furnish to the carrier named in the final judgment written notice of the right to a hearing regarding the revocation of the permit and the procedure to follow to request a hearing. The notice shall state that the department [DMV] is required to revoke the carrier's permit pursuant to subdivision (b) after 30 days from the date the notice is mailed unless the carrier provides proof that the judgment is satisfied or has been discharged in accordance with the bankruptcy laws of the United States and the department [DMV] has been so notified seven days prior to the conclusion of the 30-day waiting period. The carrier may request a hearing within 10 days from the date the notice is sent by the department [DMV]. The request for the hearing shall stay the revocation. The hearing shall be held within 30 days of the receipt of the request. If the department [DMV] finds that an unsatisfied judgment exists concerning a debt arising under Section 3717 of the Labor Code, the department [DMV] shall immediately revoke the carrier's permit.

## **Chapter 4. Workers' Compensation**

### **§ 34640. Worker's Compensation Required.**

(a) A motor carrier permit shall not be granted to any motor carrier of property until one of the following is filed with the department [DMV]:

- (1) A certificate of workers' compensation coverage for its employees issued by an admitted insurer.
- (2) A certification of consent to self-insure issued by the Director of Industrial Relations, and the identity of the administrator of the carrier's workers' compensation self-insurance plan.
- (3) A statement, under penalty of perjury, stating that, in its operations as a motor carrier of property, it does not employ any person in any manner so as to become subject to the workers' compensation laws of this state.

(b) The workers' compensation certified under paragraph (1) of subdivision (a) shall be effective until canceled. The insurer shall provide to the motor carrier of property and to the department [DMV] a notice of cancellation not less than 30 days in advance of the effective date.

(c) If, after filing the statement described in paragraph (3) of subdivision (a), the carrier becomes subject to the workers' compensation laws of this state, the carrier shall promptly notify the department [DMV] that the carrier is withdrawing its statement under paragraph (3) of subdivision (a), and shall simultaneously file the certificate described in either paragraph (1) or (2) of subdivision (a).

(d) Whenever the department [DMV] determines or is notified that the certificate of workers' compensation insurance or certification to self-insure a motor carrier of property will lapse or be terminated, the department [DMV] shall suspend the carrier's permit effective on the date of the lapse or termination, unless the motor carrier provides evidence of valid insurance coverage pursuant to subdivision (a). If the carrier's permit is suspended, the carrier shall pay a reinstatement fee as set forth in Section 34671, and prior to conducting on-highway operations, present proof of valid insurance coverage pursuant to subdivision (a) in order to have the permit reinstated.

## **Chapter 6. Fines and Penalties**

### **§ 34660. Operation of Vehicle After Suspension of Permit.**

(a) A motor carrier of property, after its motor carrier permit has been suspended by the department [DMV], who continues to operate as a motor carrier, either independently or for another motor carrier, is guilty of a misdemeanor, punishable by a fine of not more than two thousand five hundred dollars (\$2,500), or by imprisonment in the county jail for not more than three months, or by both that fine and imprisonment.

(b) Each violation of this section is a separate and distinct offense, and, in the case of a continuing violation, each day's continuance of operation as a carrier in violation of this section is a separate and distinct offense.

(c) Upon finding that a motor carrier of property is willfully violating this section after being advised that it is not operating in compliance with the laws of this state, the court may issue an injunction to stop the carrier's continued operation.

(d) A member of the Department of the California Highway Patrol may impound a vehicle or combination of vehicles operated by a motor carrier of property, when the vehicle or combination of

vehicles is found upon a highway, any public lands, or an offstreet parking facility and the motor carrier is found to be in violation of this section or of subdivision (a) of Section 34620. For purposes of this subdivision, the vehicle shall be released to the registered owner or authorized agent only after the registered owner or authorized agent furnishes the Department of the California Highway Patrol with proof of current registration, a currently valid driver's license of the appropriate class to operate the vehicle or combination of vehicles, and proof of compliance with this division. The registered owner or authorized agent is responsible for all towing and storage charges related to the impoundment.

**§ 34661. Penalties For Violations of the Motor Carriers of Property Permit Act.**

Any person or corporation who violates any provision of this division is guilty of a misdemeanor, punishable by a fine of not more than two thousand five hundred dollars (\$2,500), or by imprisonment in the county jail for not more than three months, or by both that fine and imprisonment.

**§ 34670. Motor Carrier Sanctions.**

Any violation of Division 14.8 (commencing with Section 34500) or any violation that results in a suspension or revocation of the motor carrier permit pursuant to Section 34505.6 or 34623, or subdivision (d) of Section 34624, in addition to any other penalties, shall be sanctioned as follows:

(a) If there have been no prior sanctions imposed on the permit holder, the permit shall be suspended for 30 days.

(b) If the permit had been suspended once prior in the previous 36 months, the permit shall be suspended for 60 days.

(c) If the permit had been previously suspended two or more times in the previous 36 months, the permit shall be suspended for 90 days, and a fine of one thousand five hundred dollars (\$1,500) shall be imposed.

**§ 34671. Reinstatement Fee.**

No motor carrier permit suspended or revoked under the provisions of this code shall be reinstated until a fee of one hundred fifty dollars (\$150) has been paid, and the motor carrier permit holder has met all requirements for the issuance of a permit.

**§ 34672. Dishonored Checks.**

If a motor carrier permit is paid for by a check that is dishonored by the bank, the permit shall be canceled. A dishonored check fee of twenty dollars (\$20) shall be assessed to the motor carrier permit applicant. The department [DMV] shall notify the carrier that the check was dishonored and that the permit will be canceled 30 days from the date of notification if the applicant does not make restitution. If the applicant does not make restitution for the dishonored check, and pay the dishonored check fee within 30 days of the notice, the application for a motor carrier permit shall be canceled.

**DIVISION 17. OFFENSES AND PROSECUTION**

**Chapter 1. Offenses**

**Article 1. Violation of Code**

**§ 40000.5. Misdemeanors.**

A violation of any of the following provisions shall constitute a misdemeanor, and not an infraction:

(Section 20, relating to false statements . . . .

(Section 31, relating to giving false information . . . .

**§ 40000.6. Misdemeanors.**

A violation of any of the following is a misdemeanor and not an infraction:

(a) Subdivision (b) of Section 1808.1, relating to enrollment in the pull notice system.

(b) Subdivision (f) of Section 1808.1, relating to employment of disqualified drivers.

**§ 40000.7. Misdemeanors.**

(a) A violation of any of the following provisions is a misdemeanor, and not an infraction:

(2) Section 2800, relating to failure to obey an officer's lawful order or submit to a lawful inspection.

**§ 40000.22. Misdemeanors.**

(b) A violation of Division 14.85 (commencing with Section 34600), relating to motor carriers of property, is a misdemeanor and not an infraction.

**§ 40001. Owner's Responsibility.**

(a) It is unlawful for the owner, or any other person, employing or otherwise directing the driver of any vehicle to cause the operation of the vehicle upon a highway in any manner contrary to law.

(b) It is unlawful for an owner to request, cause, or permit the operation of any vehicle that is any of the following:

(1) Not registered or for which any fee has not been paid under this code.

(2) Not equipped as required in this code.

(3) Not in compliance with the size, weight, or load provisions of this code.

(4) Not in compliance with the regulations promulgated pursuant to this code, or with applicable city or county ordinances adopted pursuant to this code.

(5) Not in compliance with the provisions of Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code and the rules and regulations of the State Air Resources Board.

(c) Any employer who violates an out-of-service order, that complies with Section 396.9 of Title 49 of the Code of Federal Regulations, or who knowingly requires or permits a driver to violate or fail to comply with that out-of-service order, is guilty of a misdemeanor.

(d) Whenever a violation is chargeable to the owner or lessee of a vehicle pursuant to subdivision (a) or (b), the driver shall not be arrested or cited for the violation unless the vehicle is registered in a state or country other than California, or unless the violation is for an offense that is clearly within the responsibility of the driver. The Department of the California Highway Patrol shall report to the Legislature on or before January 1, 1988, concerning the effects of this subdivision.

(e) Whenever the owner, or lessee, or any other person is prosecuted for a violation pursuant to this section, the court may, on the request of the defendant, take appropriate steps to make the driver of the vehicle, or any other person who directs the loading, maintenance or operation of the vehicle, or any other person who gives false or erroneous information in a written certification of actual gross weight, a codefendant. However, the court may make the driver a codefendant only if the driver is the owner or lessee of the vehicle, or the driver is an employee or a contractor of the defendant who requested the court to make the driver a codefendant. If the codefendant is held solely responsible and found guilty, the court may dismiss the charge against the defendant.

(f) In any prosecution under this section, it is a rebuttable presumption that any person who gives false or erroneous information in a written certification of actual gross cargo weight has directed, requested, caused, or permitted the operation of a vehicle in a manner contrary to law in violation of subdivision (a) or (b), or both.

## **EXCERPTS FROM THE PUBLIC UTILITIES CODE**

### **CHARTER-PARTY CARRIERS OF PASSENGERS**

#### **DIVISION 2. REGULATION OF RELATED BUSINESS BY THE PUBLIC UTILITIES COMMISSION**

#### **Chapter 8. Charter-Party Carriers of Passengers**

#### **Article 1. General Provisions and Definitions**

##### **§ 5351. Short title.**

This chapter may be cited as the "Passenger Charter-party Carriers' Act."

##### **§ 5352. Legislative finding and purpose.**

The use of the public highways for the transportation of passengers for compensation is a business affected with a public interest. It is the purpose of this chapter to preserve for the public full benefit and use of public highways consistent with the needs of commerce without unnecessary congestion or wear and tear upon the highways; to secure to the people adequate and dependable transportation by carriers operating upon the highways; to secure full and unrestricted flow of traffic by motor carriers over the highways which will adequately meet reasonable public demands by providing for the regulation of all transportation agencies with respect to accident indemnity so that adequate and dependable service by all necessary transportation agencies shall be maintained and the full use of the highways preserved to the public; and to promote carrier and public safety through its safety enforcement regulations.

##### **§ 5353. Exclusions.**

This chapter does not apply to any of the following:

(a) Transportation service rendered wholly within the corporate limits of a single city or city and county and licensed or regulated by ordinance . . . .

##### **§ 5353.5. Application of chapter to limousine for hire licensed or regulated by ordinance; date of application.**

On and after July 1, 1989, this chapter does not apply to transportation service, other than transportation service furnished in a limousine for hire, rendered wholly within the corporate limits of a single city or city and county and licensed or regulated by ordinance.

##### **§ 5354. Permit or certificate holder; responsibility for acts and omissions of officers, agents and employees.**

In construing and enforcing the provisions of this chapter relating to the prescribed privileges and obligations of the holder of a permit or certificate issued hereunder, the act, omission, or failure of any officer, agent, or employee, or person offering to afford the authorized service with the approval or consent of the permit or certificate holder, is the act, omission, or failure of the permit or certificate holder.

##### **§ 5355. Application of article.**

Unless the context otherwise requires, the definitions and general provisions set forth in this article govern the construction of this chapter.

##### **§ 5356. Corporation.**

"Corporation" includes a corporation, a company, an association, and a joint stock association.

##### **§ 5357. Person.**

"Person" includes an individual, a firm, or a copartnership.

##### **§ 5358. Public highway.**

"Public highway" includes every public street, road, or highway in this State.

**§ 5359. Motor vehicle.**

"Motor vehicle" means a vehicle which is self-propelled.

**§ 5360. Charter-party carrier of passengers.**

Subject to the exclusions of Section 5353, "charter-party carrier of passengers" means every person engaged in the transportation of persons by motor vehicle for compensation, whether in common or contract carriage, over any public highway in this state.

**§ 5360.5. Operation at airports; prearranged basis.**

(a) Charter-party carriers of passengers shall operate on a prearranged basis at airports within this state.

(b) For purposes of this section, "prearranged basis" means that the transportation of the prospective passenger was arranged with the carrier by the passenger, or a representative of the passenger, either by written contract or telephone.

**§ 5362. Owner.**

With respect to a motor vehicle used in the transportation of persons for compensation by a charter-party carrier of passengers, "owner" means the corporation or person who is registered with the Department of Motor Vehicles as the owner of the vehicle, or who has a legal right to possession of the vehicle pursuant to a lease or rental agreement.

**Article 2. Authorization to Operate as a Charter-Party Carrier of Passengers**

**§ 5371. Necessity of certificate or permit.**

No charter-party carrier of passengers . . . shall engage in transportation services made subject to this chapter without first having obtained from the commission a certificate that public convenience and necessity require the operation, except that certain specific transportation services as defined in Section 5384 may be conducted under authority of a permit issued by the commission.

**§ 5371.1. Initial certificate; issuance; no restriction as to point of origin or destination; fee.**

(a) No charter-party carrier of passengers issued a class A certificate subject to this section shall be restricted as to point of origin or destination in the State of California.

(b) Every application for a certificate or permit, or renewal thereof, shall be accompanied by the appropriate fee as specified in Section 5373.1.

**§ 5371.2. Class B certificates; operation from service area; designation of home terminal.**

All holders of certificates issued under this section shall operate from a service area to be determined by the commission. In no case shall this area encompass more than a radius of 125 air miles from the home terminal. The home terminal shall be designated by the applicant. This certificate shall be classified as a class B certificate. This section shall not apply to certificates subject to Section 5371.1.

**§ 5371.4. Limousine operators; municipalities and airports; imposition of fees; licensing and insurance requirements; imposition of fees; licensing and insurance requirements; regulations; application; audit and review.**

(a) The governing body of any city, county, or city and county may not impose a fee on charter-party carriers operating limousines. However, the governing body of any city, county, or city and county may impose a business license fee on, and may adopt and enforce any reasonable rules and regulations pertaining to operations within its boundaries for, any charter-party carrier domiciled or maintaining a business office within that city, county, or city and county.

(b) The governing body of any airport may not impose vehicle safety, vehicle licensing, or insurance requirements on charter-party carriers operating limousines that are more burdensome than those imposed by the commission. However, the governing board of any airport may require a charter-party carrier operating limousines to obtain an airport permit for operating authority at the airport.

(c) Notwithstanding subdivisions (a) and (b), the governing body of any airport may adopt and enforce reasonable and nondiscriminatory local airport rules, regulations, and ordinances pertaining to access, use of streets and roads, parking, traffic control, passenger transfers, trip fees, and occupancy, and the

use of buildings and facilities, which are applicable to charter-party carriers operating limousines on airport property.

(d) This section does not apply to any agreement entered into pursuant to Sections 21690.5 to 21690.9, inclusive, between the governing body of an airport and charter-party carriers operating limousines . . . .

(f) The governing body of any airport shall not impose a fee based on gross receipts of charter-party carriers operating limousines.

(g) Notwithstanding subdivisions (a) to (f), inclusive, nothing in this section prohibits a city, county, city and county, or the governing body of any airport, from adopting and enforcing reasonable permit requirements, fees, rules, and regulations applicable to charter-party carriers of passengers other than those operating limousines.

(h) For the purposes of this section, "limousine" includes any luxury sedan, of either standard or extended length, with a seating capacity of not more than nine passengers including the driver, used in the transportation of passengers for hire on a prearranged basis to or from airports within this state.

#### **§ 5371.5. Investigation; notice of proceedings.**

The commission shall immediately investigate every business listed in every classified directory of telephone subscribers as furnishing limousine-for-hire or passenger charter transportation service for compensation in motor vehicles. Pursuant to this investigation, the commission shall do all of the following:

(a) Determine which businesses, if any, are required to have in effect a passenger charter-party carrier certificate or permit pursuant to Section 5371 but do not have the required certificate or permit.

(b) Inform any business not having a required certificate or permit that it is in violation of law.

(c) Within 60 days of informing the business pursuant to subdivision (b), institute civil or criminal proceedings, or both, pursuant to Article 6 (commencing with Section 5411) or any other applicable law.

#### **§ 5372. Application for permits and certificates; form and contents.**

Applications for permits and certificates shall be in writing, verified under oath, and shall be in such form, contain such information, and be accompanied by such proof of service upon interested parties as the commission may require.

#### **§ 5373.1. Filing fee; certificate of permit applications; bus terminal inspections and fees.**

(a) Each application for a charter-party carrier of passengers certificate or permit shall be accompanied by a filing fee as follows:

(1) Class A certificates (new): one thousand five hundred dollars (\$1,500).

(2) Class A certificates (renewal): five hundred dollars (\$500).

(3) Class B certificates (new and renewal): five hundred dollars (\$500).

(4) Class C certificates (new and renewal): five hundred dollars (\$500).

(5) Permits (new and renewal): five hundred dollars (\$500) . . . .

#### **§ 5373.5. Unsatisfied judgment against carrier on workers' compensation award; limitations on issuance or transfer of certificate or permit.**

The commission shall not issue or authorize the transfer of any certificate or permit under this chapter to any person or corporation against whom a final judgment has been entered and whose name has been transmitted to the commission pursuant to Section 3716.4 of the Labor Code, unless that judgment has been satisfied or has been discharged in accordance with the bankruptcy laws of the United States.

#### **§ 5374. Establishment of fitness and financial responsibility; maintenance of vehicles in safe operating condition; certification.**

(a) Before a permit is issued or renewed, the commission shall require the applicant to establish reasonable fitness and financial responsibility to initiate and conduct or continue to conduct the proposed or existing transportation services. The commission shall not issue or renew a permit pursuant to this chapter unless the applicant meets both of the following requirements:

(1) It certifies on a form acceptable to the commission that the applicant will maintain its vehicles in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety.



(2) It provides for a mandatory controlled substance and alcohol testing certification program as adopted by the commission pursuant to Section 1032.1.

(b) (1) Before a certificate is issued or renewed, the commission shall require the applicant to establish reasonable fitness and financial responsibility to initiate and conduct or continue to conduct the proposed or existing transportation services. The commission shall not issue or renew a certificate pursuant to this chapter unless the applicant meets all of the following requirements:

(A) It is financially and organizationally capable of conducting an operation that complies with the rules and regulations of the Department of the California Highway Patrol governing highway safety.

(B) It is committed to observing the hours of service regulations of state and, where applicable, federal law, for all persons, whether employees or subcarriers, operating vehicles in transportation for compensation under the certificate.

(C) It has a preventive maintenance program in effect for its vehicles used in transportation for compensation that conforms to regulations of the Department of the California Highway Patrol in Title 13 of the California Code of Regulations.

(D) It participates in a program to regularly check the driving records of all persons, whether employees or subcarriers, operating vehicles used in transportation for compensation requiring a class B driver's license under the certificate.

(E) It has a safety education and training program in effect for all employees or subcarriers operating vehicles used in transportation for compensation.

(F) It will maintain its vehicles used in transportation for compensation in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety.

(G) It has filed with the commission the certificate of workers' compensation insurance coverage or statement required by Section 5378.1.

(H) It has provided the commission an address of an office or terminal where documents supporting the factual matters specified in the showing required by this subdivision may be inspected by the commission and the Department of the California Highway Patrol.

(I) It provides for a mandatory controlled substance and alcohol testing certification program as adopted by the commission pursuant to Section 1032.1.

(2) With respect to subparagraphs (B) and (F) of paragraph (1), the commission may base a finding on a certification by the commission that an applicant has filed, with the commission, a sworn declaration of ability to comply and intent to comply.

(c) In addition to the requirements in subdivision (b), class A and class B charter-party carriers shall meet all other state and, where applicable, federal regulations as prescribed.

(d) The commission may delegate to its executive director or that executive director's designee the authority to renew, or authorize the transfer of, charter-party carrier permits or certificates and to make the findings specified in subdivision (b) that are necessary to that delegated authority.

**§ 5374.5. Bus terminal inspections; list of vehicles used in transportation for compensation; failure to obtain insurance; suspension or revocation of certificate fine or both.**

(a) At the time of each bus terminal inspection conducted by the Department of the California Highway Patrol pursuant to subdivision (c) of Section 34501 of the Vehicle Code, every charter-party carrier of passengers shall furnish both the Department of the California Highway Patrol and the commission a list, prepared under oath, of all vehicles used in transportation for compensation during the period since the last inspection. The commission shall furnish a copy of the list to the carrier's insurer, if the carrier's accident liability protection is provided by a policy of insurance.

(b) If the charter-party carrier's insurer informs the commission that the carrier has failed to obtain insurance coverage for any vehicle reported on the list, the commission may, in addition to any other penalty provided in this chapter, for a first occurrence, suspend the carrier's certificate or permit or impose a fine, or both, and for a second or subsequent occurrence may suspend or revoke the certificate or impose a fine, or both.

**§ 5374.6. Report of carrier employees and compensation; copy for administrator of workers' compensation self-insurance plan.**

Every charter-party carrier earning over three hundred fifty thousand dollars (\$350,000) in annual gross operating revenue shall, under oath, file annually a report indicating the number, classification, and compensation of all employees and owner-operator drivers hired or engaged during the reporting period.

The commission shall submit a copy of the report to the administrator of the carrier's workers' compensation self-insurance plan if the carrier is self-insured, or to the carrier's workers' compensation insurer if the carrier's workers' compensation protection is provided by a policy or policies of insurance. The commission shall not be obligated to undertake an independent investigation of the adequacy of workers' compensation insurance coverage based on the information contained in the report, if the carrier has complied with Section 5378.1.

**§ 5375. Permit or certificate; issuance or refusal; passenger stage operations.**

The commission may, with or without hearing, issue or refuse to issue a permit or certificate. If the commission finds that public convenience and necessity require the proposed transportation service and the applicant possess satisfactory fitness and financial responsibility to initiate and conduct the proposed transportation services, and will faithfully comply with the rules and regulations adopted by the commission with respect thereto, it shall issue the permit or certificate to conduct the requested operations, or may issue it for the partial exercise of the privilege sought, and may attach to the permit or certificate such terms and conditions as, in its judgment, are required in the public interest; provided also that the permit or certificate shall not require the filing or publication of time schedules or tariffs. The fact that the applicant for the certificate is, or may later become a holder of a certificate of public convenience and necessity as a passenger stage corporation issued pursuant to the provisions of Article 2 (commencing with Section 1031), Chapter 5, Part 1, Division 1, of this code shall not be deemed inconsistent with the provisions of this section, and such dual authority may be authorized.

**§ 5375.1. Operation in territory already served by certificate holder.**

Notwithstanding the provisions of Section 5375, if the applicant desires to operate in a territory already served by the holder of a certificate, the commission shall hold a hearing before granting the certificate. The commission shall not grant a certificate to such an applicant unless it can be shown that the existing charter-party carrier of passengers serving the territory is not providing services which are satisfactory to the commission and adequate for the public. In no event shall the commission issue more certificates than public convenience and necessity require and the commission shall place any restrictions upon such certificates as may reasonably be necessary to protect any existing charter-party carrier of passengers.

**§ 5376. Duration of permit or certificate.**

A permit or certificate, or renewal thereof, is effective for three years, unless suspended or revoked by the commission.

**§ 5377. Transfer of permit.**

No permit issued pursuant to this article, or rights to conduct any of the services therein authorized, shall be sold, leased, or assigned, or otherwise transferred or encumbered.

**§ 5377.1. Transfer of certificate; authority of commission, filing fee.**

No certificate issued pursuant to, or rights to conduct any of the services authorized by, this article shall be sold, leased, or assigned, or otherwise transferred or encumbered, unless authorized by the commission. A filing fee of three hundred dollars (\$300) shall accompany all applications.

**§ 5378. Cancellation, revocation or suspension of permit or certificate; civil penalty.**

(a) The commission may cancel, revoke, or suspend any operating permit or certificate issued pursuant to this chapter upon any of the following grounds:

(1) The violation of any of the provisions of this chapter, or of any operating permit or certificate issued thereunder.

(2) The violation of any order, decision, rule, regulation, direction, demand, or requirement established by the commission pursuant to this chapter.

(3) The conviction of the charter-party carrier of passengers of any misdemeanor under this chapter while holding operating authority issued by the commission or the conviction of the carrier or its officers of a felony while holding operating authority issued by the commission, limited to robbery, burglary, larceny, fraud, or intentional dishonesty for personal gain.

(4) The rendition of a judgment against the charter-party carrier of passengers for any penalty imposed under this chapter.

(5) The failure of a charter-party carrier of passengers to pay any fee imposed upon the carrier within the time required by law.

(6) On request of the holder of the permit or certificate.

(7) Failure of a permit or certificate holder to operate and perform reasonable service. That failure may include repeated violations of the Vehicle Code or of regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety, by employees of the permit holder or certificate holder, that support an inference of unsafe operation or willful neglect of the public safety by the permit holder or certificate holder.

(8) Consistent failure of the charter-party carrier of passengers to maintain its vehicles in a safe operating condition and in compliance with the Vehicle Code and with regulations contained in Title 13 of the California Code of Regulations relative to motor vehicle safety, as shown by the records of the commission, the Department of Motor Vehicles, the Department of the California Highway Patrol, or the carrier.

(9) The knowing and willful filing of a false report that understates revenues and fees.

(b) The commission may levy a civil penalty of up to five thousand dollars (\$5,000) upon the holder of an operating permit or certificate issued pursuant to this chapter, for any of the grounds specified in subdivision (a), as an alternative to canceling, revoking, or suspending the permit or certificate. The commission may also levy interest upon the civil penalty, which shall be calculated as of the date on which the civil penalty is unpaid and delinquent. The commission shall deposit at least monthly all civil penalties and interest collected pursuant to this section into the General Fund.

**§ 5378.1. Certificate of workers' compensation, consent to self-insure, or statement of exemption from workers' compensation.**

(a) Beginning July 1, 1990, and continuing thereafter, every charter-party carrier shall file with the commission one of the following:

(1) A certificate of workers' compensation coverage for its employees issued by an admitted insurer.

(2) A certification of consent to self-insure issued by the Director of Industrial Relations.

(3) A statement under penalty of perjury, stating that, in its operations as a charter-party carrier, it does not employ any person in any manner so as to become subject to the workers' compensation laws of this state.

(b) The workers' compensation certified to under paragraph (1) of subdivision (a) shall be effective until canceled. Cancellation shall require 30 days' advance notice.

(c) If, after filing the statement described in paragraph (3) of subdivision (a), the carrier becomes subject to the workers' compensation laws of this state, the carrier shall promptly notify the commission that the carrier is withdrawing its statement under paragraph (3) of subdivision (a), and shall simultaneously file the certificate described in either paragraph (1) or (2) of subdivision (a).

(d) The commission may adopt rules and regulations that it determines to be necessary to carry out this section.

**§ 5378.5. Suspension of certificate or permit; grounds; reinspection; reinstatement; recommendation; notice and hearing; revocation.**

(a) Upon receipt of a written recommendation from the Department of the California Highway Patrol that the certificate or permit of a charter-party carrier be suspended either (1) for failure to maintain any vehicle used in transportation for compensation in a safe operating condition or to comply with the Vehicle Code or with regulations contained in Title 13 of the California Code of Regulations relative to motor carrier safety if that failure is either a consistent failure or presents an imminent danger to public safety, or (2) for failure to enroll all drivers in the pull notice system as required by Section 1808.1 of the Vehicle Code, the commission shall, pending a hearing in the matter pursuant to subdivision (d), suspend the carrier's certificate or permit. The written recommendation shall specifically indicate compliance with subdivision (c).

(b) A carrier whose certificate or permit is suspended pursuant to subdivision (a) may obtain a reinspection of its terminal and vehicles by the department, [CHP] by submitting a written request for reinstatement to the commission and paying a reinstatement fee of one hundred twenty-five dollars (\$125). The commission shall deposit all reinstatement fees collected pursuant to this subdivision in the Public Utilities Commission Transportation Reimbursement Account. The commission shall then forward a request for reinspection to the department [CHP] which shall then perform a reinspection within a reasonable time. The commission shall reinstate a carrier's certificate or permit suspended under

subdivision (a) promptly upon receipt of a written recommendation from the department [CHP] that the carrier's safety compliance has improved to the satisfaction of the department [CHP], unless the certificate or permit is suspended for another reason, or has been revoked.

(c) Before transmitting a recommendation pursuant to subdivision (a) to the commission, the Department of the California Highway Patrol shall notify the charter-party carrier in writing of all of the following:

(1) That the department [CHP] has determined that the carrier's safety record is unsatisfactory, furnishing a copy of any documentation or summary of any other evidence supporting the determination.

(2) That the determination may result in suspension or revocation of the carrier's certificate or permit by the commission.

(3) That the carrier may request a review of the determination by the department [CHP] within five days of its receipt of the notice required under this subdivision. If a review pursuant to this paragraph is requested by the carrier, the department [CHP] shall conduct and evaluate that review prior to transmitting any notification to the commission pursuant to subdivision (a).

(d) Whenever the commission suspends the certificate or permit of any charter-party carrier pursuant to subdivision (a), the commission shall furnish the carrier written notice of the suspension and shall hold a hearing within a reasonable time, not to exceed 21 days, after a written request therefor is filed with the commission, with a copy thereof furnished to the Department of the California Highway Patrol. At the hearing, the carrier shall show cause why the suspension should not be continued. At the conclusion of the hearing, the commission may, in addition to any other penalty provided in this chapter, terminate the suspension, continue the suspension in effect, or revoke the certificate or permit. The commission may revoke the certificate or permit of any carrier suspended pursuant to subdivision (a) at any time 90 days or more after its suspension if the commission has not received a written recommendation for reinstatement from the department [CHP] and the carrier has not filed a written request for a hearing with the commission.

(e) If the commission, after a hearing, finds that a charter-party carrier has continued to operate as such a carrier after its certificate or permit has been suspended pursuant to subdivision (a), the commission shall do one of the following:

(1) Revoke the operating certificate or permit of the carrier.

(2) Impose upon the holder of the certificate or permit a civil penalty of not less than one thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each day of unlawful operations.

#### **§ 5378.6. Denial of certificate or permit; grounds; recommendation; notice and hearing; reapplication.**

(a) Upon receipt of a written recommendation from the Department of the California Highway Patrol that a new or renewal application for a charter-party carrier certificate or permit be denied either (1) for failure to maintain any vehicle used in transportation for compensation in a safe operating condition or to comply with the Vehicle Code or with regulations contained in Title 13 of the California Code of Regulations relative to motor carrier safety or (2) for failure to enroll all drivers in the pull notice system as required by Section 1808.1 of the Vehicle Code, the commission shall deny the application. The department's [CHP's] written recommendation shall specifically indicate compliance with subdivision (b).

(b) Before transmitting a recommendation pursuant to subdivision (a) to the commission, the Department of the California Highway Patrol shall notify the applicant for the charter-party carrier certificate or permit of all of the following in writing:

(1) That the department [CHP] has determined that the applicant's safety record is unsatisfactory, furnishing a copy of any documentation or summary of any other evidence supporting the determination.

(2) That the determination may result in a denial of the applicant's certificate or permit by the commission.

(3) That the applicant may request a review of the determination by the department [CHP] within five days of its receipt of the notice required under this subdivision. The department [CHP] shall, upon request, conduct and evaluate that review prior to transmitting any notification to the commission pursuant to subdivision (a).

(c) Whenever the commission denies an application for renewal pursuant to subdivision (a), the commission shall furnish the charter-party carrier written notice of the denial and shall hold a hearing within a reasonable time, not to exceed 21 days, after a written request is filed with the commission, with a copy thereof furnished to the Department of the California Highway Patrol. At the hearing, the carrier shall

show cause why the denial was improper or unwarranted. At the conclusion of the hearing, the commission may, in addition to any other remedy provided in this part, reverse the denial, or sustain the denial.

(d) Any applicant for a charter-party carrier certificate or permit denied pursuant to subdivision (a), whose denial has not been reversed as a result of the hearing provided for in subdivision (c), that wishes to obtain a certificate or permit shall reapply for the desired authority.

**§ 5378.7. Workers' compensation insurance coverage; enforcement; procedures.**

(a) Upon receipt of a stop order issued by the Director of Industrial Relations pursuant to Section 3710.1 of the Labor Code, the commission shall investigate to determine whether the charter-party carrier of passengers has filed a false statement relative to workers' compensation insurance coverage, in violation of statute, or rules or orders of the commission. If, after notice and opportunity to be heard, the commission determines that there has been a violation of statute, or rules or orders of the commission, the commission shall impose appropriate penalties, which may include a fine and suspension of operating authority for a violation.

(b) Upon receipt of a complaint from the Director of Industrial Relations, that a final judgment has been entered against any charter-party carrier of passengers as a result of an award having been made to an employee pursuant to Section 3716.2 of the Labor Code, the commission shall, 30 days from the date the carrier is mailed the notice, revoke the carrier's permit unless the judgment has been satisfied or has been discharged in accordance with the bankruptcy laws of the United States or the carrier requests a hearing pursuant to subdivision (c).

(c) Within seven days of receipt of a complaint from the Director of Industrial Relations that a final judgment has been entered against any charter-party carrier of passengers as a result of an award having been made to an employee pursuant to Section 3716.2 of the Labor Code, the commission shall furnish the carrier named in the final judgment written notice of the right to a hearing regarding the complaint and the procedure to follow to request a hearing. The notice shall state that the commission must revoke the carrier's permit to operate pursuant to subdivision (b) after 30 days from the date the notice is mailed unless the carrier provides proof that the judgment is satisfied or has been discharged in accordance with the bankruptcy laws of the United States and the commission has been so notified seven days prior to the conclusion of the 30-day waiting period. The notice shall also inform the carrier of a right to a hearing and the procedures to follow to request a hearing. The carrier shall have 10 days from the date the notice is sent by the commission to request a hearing. The request for the hearing shall stay the revocation. The hearing shall be held within 30 days of the receipt of the request. If the commission finds that an unsatisfied judgment exists concerning a debt arising under Section 3717 of the Labor Code, the commission shall immediately revoke the carrier's permit.

**§ 5379. Unlawful operations; new permit.**

After the cancellation or revocation of a permit or certificate, or during the period of its suspension, or after the expiration of its permit or certificate, it is unlawful for a charter-party carrier of passengers to conduct any operations as a carrier. The commission may either grant or deny an application for a new permit or certificate whenever it appears that a prior permit or certificate of the applicant has been canceled or revoked pursuant to Section 5378 or whenever it appears, after hearing, that as a prior permit or certificate holder, the applicant engaged in any of the unlawful activities set forth in Section 5378 for which his or her permit or certificate might have been canceled or revoked.

**§ 5379.5. Cease and desist orders.**

The commission may, on a complaint alleging that any corporation or person is operating as a charter-party carrier of passengers without a valid certificate or permit in violation of this chapter, or on its own motion without a complaint, with or without notice of a hearing, order the corporation or person so operating to cease and desist from that operation until the commission makes and files its decision in the matter or until further order of the commission.

### **Article 3. Regulation of Charter-Party Carriers of Passengers**

#### **§ 5385. Identifying symbol; display.**

No charter party carrier of passengers shall operate any motor vehicle on any public highway unless there is displayed on the vehicle a distinctive identifying symbol in the form prescribed by the commission, showing the classification to which the carrier belongs. No such identifying symbol shall be displayed on any vehicle until a permit or certificate of public convenience and necessity under this chapter has been issued to the carrier. The identifying symbol displayed by charter party carriers subject to the Interstate Commerce Commission shall serve in lieu of the display requirements of this section.

#### **§ 5385.5. Vehicles designed to carry no more than eight passengers; decals.**

For motor vehicles designed to carry not more than eight passengers, including the driver, the commission shall issue a suitable decal for purposes of Section 5385, for each vehicle registered with the commission and operated by a charter-party carrier of passengers holding a valid permit or certificate of public convenience and necessity. The decal with an identifying symbol shall be a minimum size of two and one-half inches by six inches, and shall be affixed to the lower right hand corner of the rear bumper of the vehicle.

#### **§ 5385.6. Limousines; special license plates in lieu of decal.**

(a) No charter-party carrier shall operate a limousine as defined by subdivision (h) of Section 5371.4 unless the limousine is equipped with the special license plates issued and distributed by the Department of Motor Vehicles pursuant to Section 5011.5 of the Vehicle Code.

(b) The commission shall issue to each charter-party carrier operating limousines a permit or certificate for the number of vehicles verified by the carrier as employed in providing limousine service. The permit or certificate shall be submitted to the Department of Motor Vehicles, which will issue to each verified vehicle a set of unique, identifying license plates. The department [DMV] shall maintain a record of each set of plates it issues and provide a copy of each record to the commission.

(c) The commission shall recover from any carrier whose permit or certificate is canceled, suspended, or revoked any and all plates issued pursuant to this section.

(d) The special license plate shall be in lieu of the decal required to be issued and displayed pursuant to Section 5385.5. . . .

#### **§ 5387. Unlawful operation upon public highway; certificate or permit; vehicle identification or accident liability protection requirements.**

It is unlawful for the owner of a charter-party carrier of passengers to permit the operation of any vehicle upon any public highway for compensation without (1) having obtained from the commission a certificate or permit pursuant to this chapter, (2) having complied with the vehicle identification requirements of Section 5385, 5385.5, or 5385.6, and (3) having complied with the accident liability protection requirements of Section 5391. . . .

#### **§ 5387.5. Person or corporation holding itself out as carrier without certificate or permit; fee.**

When the commission or an employee of the commission determines that any person or corporation is holding itself out as a charter-party carrier of passengers without a certificate or permit to so operate, the carrier shall pay the commission the fee established pursuant to Section 421 for the period during which it operated without authority, up to a maximum of three years, which fee shall be deposited in the Public Utilities Commission Transportation Reimbursement Account.

#### **§ 5389. Inspections by commission; transportation of persons for compensation; application.**

(a) The commission, each commissioner, and each officer and person employed by the commission may, at any time have access to the land, buildings, or equipment of a charter-party carrier of passengers used in connection with the operation of its business and may inspect the accounts, books, papers, and documents of the carrier. Any inspection by the commission may include photocopying or the electrostatic or photostatic reproduction of documents either at the premises of the carrier or the offices of the commission, at the option of the carrier. The commission shall reimburse the carrier for any copying or reproduction expenses incurred by it at the direction of the commission.

(b) Subdivision (a) also applies to access to property and inspections of the accounts, books, papers, and documents of any business which is a subsidiary or affiliate of, or a corporation which holds a

controlling interest in, a charter-party carrier of passengers with respect to any transaction between the carrier and the subsidiary, affiliate, or holding corporation.

(c) Subdivisions (a) and (b) also apply to any person or corporation engaged in the transportation of persons by motor vehicle for compensation, which the commission, or an officer or person employed by the commission, determines is holding itself out as a charter-party carrier of passengers.

#### **Article 4. Accident Liability Protection**

##### **§ 5391. Insurance requirements.**

The commission shall, in granting permits or a certificate pursuant to this chapter, require the charter-party carrier of passengers to procure, and to continue in effect during the life of the permit or certificate, adequate protection against liability imposed by law upon the charter-party carrier of passengers for the payment of damages for personal bodily injuries, including death resulting therefrom, protection against a total liability of the charter-party carrier of passengers on account of bodily injuries to, or death of, more than one person as a result of any one accident, and protection against damage or destruction of property. The minimum requirements for such assurances of protection against liability shall not be less than the requirements which are applicable to operations conducted under certificates of public convenience and necessity issued pursuant to the provisions of Article 2 (commencing with Section 1031), Chapter 5, Part 1, Division 1, of this code, and the rules and regulations prescribed pursuant thereto shall apply to charter-party carriers of passengers.

##### **§ 5391.2. Class C certificate holders; liability insurance requirements.**

Notwithstanding Section 5391, in granting certificates to the holders of class C certificates, the commission shall require that those carriers procure and continue in effect adequate protection against liability imposed by law upon the carrier for the payment of damages for personal bodily injuries, including death resulting therefrom; protection against a total liability of the carrier of passengers on account of bodily injuries to, or death of, more than one person as a result of any one accident; and protection against damage or destruction of property. The requirement of that assurance of protection against liability shall be seven hundred fifty thousand dollars (\$750,000) per accident.

##### **§ 5392. Evidence of liability protection.**

The protection required under Sections 5391 and 5391.2 shall be evidenced by the deposit of any of the following with the commission covering each vehicle used or to be used under the certificate or permit applied for:

(a) A policy of insurance, issued by a company licensed to write insurance in this state, or by nonadmitted insurers subject to Section 1763 of the Insurance Code, if the policies meet the rules promulgated therefor by the commission.

(b) A bond of a surety company licensed to write surety bonds in the state.

(c) Evidence of the qualification of the charter-party carrier of passengers as a self-insurer as may be authorized by the commission.

##### **§ 5393. Alternate evidence of liability protection.**

With the consent of the commission a copy of an insurance policy, certified by the company issuing it to be a true copy of the original policy, or a photostatic copy thereof, or an abstract of the provisions of the policy, or a certificate of insurance issued by the company issuing the policy, may be filed with the commission in lieu of the original or a duplicate or counterpart of the policy.

#### **Article 5. Basis of Charges**

##### **§ 5401. Mileage and time of use; individual fares prohibited.**

Charges for the transportation to be offered or afforded by a charter-party carrier of passengers shall be computed and assessed on a vehicle mileage or time of use basis, or on a combination thereof. These charges may vary in accordance with the passenger capacity of the vehicle, or the size of the group to be transported. However, no charter-party carrier of passengers shall, directly or through an agent or otherwise, nor shall any broker, contract, agree, or arrange to charge, or demand or receive

compensation, for the transportation offered or afforded that shall be computed, charged, or assessed on an individual-fare basis . . . .

## **Article 6. Fines and Penalties**

### **§ 5411. Carrier violations; offense; punishment.**

Every charter-party carrier of passengers and every officer, director, agent, or employee of any charter-party carrier of passengers who violates or who fails to comply with, or who procures, aids, or abets any violation by any charter-party carrier of passengers of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit or certificate issued to any charter-party carrier of passengers, or who procures, aids, or abets any charter-party carrier of passengers in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit or certificate, is guilty of a misdemeanor and is punishable by fine of not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not more than three months, or both.

### **§ 5411.3. Carrier violations of display identifying symbols; penalties.**

Every charter-party carrier of passengers, and every officer, director, agent, or employee of a charter-party carrier of passengers, who displays on any vehicle any identifying symbol other than one prescribed by the commission pursuant to Section 5385, or who fails to remove an identifying symbol when required by the commission, is guilty of a misdemeanor and is punishable by a fine of not more than one thousand dollars (\$1,000), by imprisonment in the county jail for not more than one year, or by both.

### **§ 5411.5. Arrest; public airport or California/Mexico international border; seizure or impoundment of vehicle; notice; return; exemption.**

Whenever a peace officer arrests a person for a violation of Section 5411 involving the operation of a charter-party carrier of passengers without a valid certificate or permit at a public airport, within 100 feet of a public airport, or within two miles of the international border between the United States and Mexico, the peace officer may impound and retain possession of the vehicle used in violation of Section 5411. If the vehicle is seized from a person who is not the owner of the vehicle, the impounding authority shall immediately give notice to the owner by first-class mail.

The vehicle shall immediately be returned to the owner without cost to the owner if the infraction or violation is not prosecuted or is dismissed, the owner is found not guilty of the offense, or it is determined that the vehicle was used in violation of Section 5411 without the knowledge and consent of the owner. Otherwise, the vehicle shall be returned to the owner upon payment of any fine ordered by the court. After the expiration of six weeks from the final disposition of the criminal case, the impounding authority may deal with the vehicle as lost or abandoned property under Section 1411 of the Penal Code.

At any time, a person may make a motion in municipal court, or in superior court in a county in which there is no municipal court, for the immediate return of the vehicle on the ground that there was no probable cause to seize it or that there is some other good cause, as determined by the court, for the return of the vehicle. . . .

### **§ 5411.6. False statement of carrier gross operating revenue to underpay commission reimbursement fees; offense.**

Every charter party carrier of passengers and every officer, director, agent, or employee of a charter party carrier of passengers who knowingly and willfully makes a false statement of the carrier's gross operating revenues in order to underpay the commission's reimbursement fees is guilty of a misdemeanor.

### **§ 5412. Non-carrier violations; offense; punishment.**

Every corporation or person other than a charter-party carrier of passengers, who knowingly and willfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a charter-party carrier of passengers, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any charter-party carrier of passengers in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is guilty of a misdemeanor, and is punishable by a fine of



not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not more than three months, or both.

**§ 5412.2. Operating charter-party carrier passengers or taxicab without certificate or permit; penalties.**

(a) When a person is convicted of the offense of the operating of a charter-party carrier of passengers . . . without a valid certificate or permit, in addition to any other penalties provided by law, if the court determines the operator has the ability to pay, the court shall impose a mandatory fine not exceeding one thousand dollars (\$1,000) for the first conviction, not exceeding two thousand dollars (\$2,000) for the second conviction, not exceeding three thousand dollars (\$3,000) for the third conviction, not exceeding four thousand dollars (\$4,000) for the fourth conviction, and not exceeding five thousand dollars (\$5,000) for the fifth conviction . . . .

**§ 5413. Carrier violations; penalty.**

Every charter-party carrier of passengers and every officer, director, agent, or employee of any charter-party carrier of passengers who violates or who fails to comply with, or who procures, aids, or abets, any violation by any charter-party carrier of passengers of any provision of this chapter, or who fails to obey, observe, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or of any operating permit or certificate issued to any charter-party carrier of passengers, or who procures, aids, or abets any charter-party carrier of passengers in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, requirement, or operating permit, or certificate, is subject to a penalty of not more than one thousand dollars (\$1,000) for each offense.

**§ 5413.5. Fines; additional penalties.**

Whenever the commission, after hearing, finds that any person or corporation is operating as a charter-party carrier of passengers without a valid certificate or permit, or fails to include in any public advertisement the number of the permit or identifying symbol required by Section 5386, the commission may impose a fine of not more than five thousand dollars (\$5,000) for each violation. The commission may assess the person or corporation an amount sufficient to cover the reasonable expense of investigation incurred by the commission. The commission may assess interest on any fine or assessment imposed, to commence on the day the payment of the fine or assessment becomes delinquent . . . .

**§ 5414. Non-carrier violations; penalty.**

Every corporation or person other than a charter-party carrier of passengers who knowingly and willfully, either individually, or acting as an officer, agent, or employee of a corporation, copartnership, or any other person other than a charter-party carrier of passengers, violates any provision of this chapter or fails to observe, obey, or comply with any order, decision, rule, regulation, direction, demand, or requirement of the commission, or who procures, aids, or abets any charter-party carrier of passengers in its violation of this chapter, or in its failure to obey, observe, or comply with any such order, decision, rule, regulation, direction, demand, or requirement, is subject to a penalty of not more than one thousand dollars (\$1,000) for each offense.

**§ 5414.5. Misrepresentation; operating without valid certificate or permit; punishment.**

Every corporation or person who knowingly and willfully issues, publishes, or affixes, or causes or permits the issuance, publishing, or affixing, of any oral or written advertisement, broadcast, or other holding out to the public, or any portion thereof, that the corporation or person is in operation as a charter-party carrier of passengers without having a valid certificate or permit issued under this chapter is guilty of a misdemeanor punishable, if an individual, by a fine of not more than one thousand dollars (\$1,000) or by imprisonment in the county jail for not more than six months, or by both, or, if a corporation, by a fine of not more than five thousand dollars (\$5,000).

**§ 5415. Separate offenses.**

Every violation of the provisions of this chapter or of any order, decision, decree, rule, direction, demand, or requirement of the commission by any corporation or person is a separate and distinct offense, and in case of a continuing violation each day's continuance thereof is a separate and distinct offense.

**§ 5415.5. Injunction.**

When the executive director of the commission determines that any charter-party carrier of passengers, or any officer, director, or agent of any charter-party carrier of passengers, has engaged in, is engaged in, or is about to engage in, any acts or practices in violation of this chapter, or any order, decision, rule, regulation, direction, demand, or requirement issued under this chapter, the executive director may make application to the superior court for an order enjoining those acts or practices or for an order directing compliance. The court may grant a permanent or temporary injunction, restraining order, or other order, including, but not limited to, an order allowing vehicles used for subsequent operations subject to the order to be impounded at the carrier's expense and subject to release only by subsequent court order following a petition to the court by the defendant or owner of the vehicle, upon a showing by the executive director that a person or corporation has engaged in or is about to engage in these acts or practices.

**§ 5416. Cumulative penalties.**

All penalties accruing under this chapter are cumulative, and a suit for the recovery of one penalty does not bar or affect the recovery of any other penalty or forfeiture or bar any criminal prosecution against any person or corporation, or any officer, director, agent of employee thereof, or any other corporation or person, or bar the exercise by the commission of its power to punish for contempt.

## **EXCERPTS FROM THE REVENUE AND TAXATION CODE**

### **MOTOR CARRIERS OF PROPERTY PERMIT FEE**

#### **DIVISION 2. OTHER TAXES**

##### **Part 1.55. Motor Carriers**

##### **Chapter 1. Motor Carriers of Property Permit Fee**

##### **§ 7231. Citation of chapter; Legislative findings and declarations.**

(a) This chapter may be cited as the Motor Carriers of Property Permit Fee Act.

##### **§ 7232. Annual payment of permit fee; Definitions; Applicability of fee requirements.**

(a) Every motor carrier of property shall annually pay a permit fee to the Department of Motor Vehicles. The fees contained in this section are due and shall be paid by each carrier at the time of application for an initial motor carrier permit, and upon annual renewal, with the Department of Motor Vehicles, pursuant to the Motor Carriers of Property Permit Act, as set forth in Division 14.85 (commencing with Section 34600) of the Vehicle Code. The Department of Motor Vehicles may, upon initial application for a motor carrier permit, assign an expiration date not less than six months, nor more than 18 months, from date of application, and may charge one-twelfth of the annual fee for each month covered by the initial permit. The fee paid by each motor carrier of property shall be based on the number of commercial motor vehicles operated in California by the motor carrier of property.

(b) As used in this chapter, "motor carrier of property" means any person who operates any commercial motor vehicle as defined in subdivision (d). "Motor carrier of property" does not include . . . persons providing only transportation of passengers . . .

(c) As used in this chapter, "for-hire motor carrier of property" means a motor carrier of property, as defined in subdivision (b), who transports property for compensation.

(d) As used in this chapter, "commercial motor vehicle" means any self-propelled vehicle listed in subdivisions (a), (b), (f), (g), and (k) of Section 34500 of the Vehicle Code, any motor truck of two or more axles that is more than 10,000 pounds gross vehicle weight rating, and any other motor vehicle used to transport property for compensation. . . .

(e) The "number of commercial motor vehicles operated by the motor carrier of property" as used in this section means all of the commercial motor vehicles owned, registered to, or leased by the carrier. For interstate and foreign motor carriers of property the fees set forth in subdivision (a) shall be apportioned based on the percentage of fleet miles traveled in California in intrastate commerce. In the absence of records to establish intrastate fleet miles, the fees set forth in subdivision (a) shall be apportioned on total fleet miles traveled in California.

(f) For purposes of this chapter, "private carrier" means a motor carrier of property, as defined in subdivision (b), who does not transport any goods or property for compensation.

(g) (1) Fees contained in this chapter shall not apply to a motor carrier of property while engaged solely in interstate or foreign transportation of property by motor vehicle. No motor carrier of property shall engage in any interstate or foreign transportation of property for compensation by motor vehicle on any public highway in this state without first having registered the operation with the Department of Motor Vehicles or with the carrier's base registration state, if other than California, as determined in accordance with final regulations issued by the Interstate Commerce Commission pursuant to the Intermodal Surface Efficiency Act of 1991 (49 U.S.C. Sec. 11506). To register with the Department of Motor Vehicles, carriers specified in this subdivision shall comply with the following:

(A) When the operation requires authority from the Interstate Commerce Commission under the Interstate Commerce Act, or authority from another federal regulatory agency, a copy of that authority shall be filed with the initial application for registration. A copy of any additions or amendments to the authority shall be filed with the Department of Motor Vehicles.

(B) If the operation does not require authority from the Interstate Commerce Commission under the Interstate Commerce Act, or authority from another federal regulatory agency, an affidavit of that exempt status shall be filed with the application for registration.

(2) The Department of Motor Vehicles shall grant registration upon the filing of the application pursuant to applicable law and the payment of any applicable fees, subject to the carrier's compliance with this chapter.

(3) This subdivision does not apply to . . . motor carriers engaged in the transportation of passengers for compensation.

**§ 7233. City and county excise or license tax on for-hire motor carrier.**

No city, county, or city and county, shall assess, levy, or collect an excise or license tax of any kind, character, or description whatever upon the transportation business conducted on or after the effective date of this chapter, by any for-hire motor carrier of property.

**§ 7234. Effect of uniform business license tax fee on other excise or license taxes.**

(a) The uniform business license tax fee imposed by this chapter is in lieu of all city, county, or city and county excise or license taxes of any kind, character, or description whatever, upon the transportation business of any for-hire motor carrier of property.

(b) This section does not prohibit the imposition by any city, county, or city and county, of any excise or license tax authorized under Division 2 (commencing with Section 6001).

**§ 7235. Payment of Safety Fee and Cargo Theft Interdiction Program Fee.**

The Safety Fee and Cargo Theft Interdiction Program Fee imposed by this chapter shall be paid by all motor carriers of property, as defined in Section 34601 of the Vehicle Code.

**§ 7236. Deposits into Motor Carriers Permit Fund; Fees; Transfers from fund; Legislative intent as to fee schedule.**

(a) All funds . . . . The following fees shall be paid to the department:

(1) For-hire motor carriers of property shall pay, according to the following schedule, fees indicated as safety fee, cargo theft interdiction fee, and uniform business license tax fee, based on the size of their motor vehicle fleet.

(2) Private carriers of property with a fleet size of 10 or less motor vehicles shall pay a fee of thirty-five dollars (\$35). Private carriers of property with a fleet size of 11 or more motor vehicles shall pay, according to the following schedule, fees indicated as safety fee and cargo theft interdiction fee, based on the size of their motor vehicle fleet. Any carrier that does not pay a uniform business license tax fee shall not operate as a for-hire motor carrier.

(3) A seasonal permit may be issued to a motor carrier of property upon payment of fees indicated as safety fee and cargo theft interdiction fee, and one twelfth of the fee indicated as uniform business license tax fee, rounded to the next dollar, for each month the permit is valid. The original seasonal permit shall be valid for a period of not less than six months, and may be renewed upon payment of a five dollar (\$5) fee, and one-twelfth of the fee indicated as a uniform business license tax fee for each additional month of operation.

Fleet Size-Commercial Motor Vehicles Fee	Safety Fee	Cargo Theft Interdiction Fee	Uniform Business License Tax
1	\$60	\$10	\$60
2 - 4	\$75	\$25	\$125
5 - 10	\$200	\$35	\$275
11 - 20	\$240	\$50	\$470
21 - 35	\$325	\$70	\$650
36 - 50	\$430	\$95	\$880
51 - 100	\$535	\$115	\$1,075
101 - 200	\$635	\$140	\$1,300
201 - 500	\$730	\$160	\$1,510
501 - 1000	\$830	\$185	\$1,715
1001 - 2,000	\$930	\$210	\$1,900
2,001 - over	\$1,030	\$260	\$2,000

Notwithstanding the above fee schedule, motor carriers of property with 10 or fewer trucks shall not pay fees higher than they would have paid under the fee structure in place as of January 1, 1996.

Notwithstanding Section 34606 of the Vehicle Code, fees for these carriers shall not be subject to increase by the Department of Motor Vehicles. . . .

## **EXCERPTS FROM TITLE 13, CALIFORNIA CODE OF REGULATIONS**

### **Division 2. Department of the California Highway Patrol**

#### **Chapter 5. Special Vehicles**

#### **Article 2. Armored Cars**

##### **§ 1110. Scope of Regulations.**

This article shall apply to licenses and vehicle inspections required prior to the operation of privately owned armored cars, in accordance with Chapter 2.5 of Division 2 of the Vehicle Code. Armored cars owned and operated by a public agency are exempt from the provisions of this article.

##### **§ 1111. General Requirements.**

General requirements for issuance or renewal of an armored car license are as follows:

(a) Eligibility for License. A license to operate privately owned armored cars may be issued only to:

- (1) Persons or firms regularly hired to transport money or other valuables that require special security
- (2) Financial institutions
- (3) Armored car dealers or manufacturers
- (4) Collectors of vehicles of historic value or special interest and originally designed, manufactured, or equipped as armored cars
- (5) Other persons or entities that can show legitimate need.

(b) License Applications. An armored car license application shall require such information as the department deems necessary to determine whether any applicant shall be disqualified on grounds set forth in Vehicle Code Sections 2541 and 2542.

(1) Information may include the business name, owner-applicant's name, address, fingerprints, birth date, social security number, driver license number, and personal history.

(2) Every license application shall be signed and verified by the owner-applicant or an authorized representative thereof.

(3) Each application for an initial or renewal license shall be accompanied by:

(A) A list of armored cars to be operated under the license with each vehicle identified by year model, make, vehicle identification number, and license plate number.

(B) One acceptable fingerprint card for each applicant owner, partner, officer, director and controlling shareholder. The fingerprint cards are not required with license renewal applications except for persons added since last licensed. The fingerprint card requirement may be waived upon application to the department from a corporation where the requirement would be burdensome because there exists a large number of officers, directors, or controlling shareholders.

(c) License Cancellation and Replacement. An armored car license may be canceled without prejudice when it has been issued in error or voluntarily surrendered, or has expired. Any person after surrendering a license voluntarily may immediately apply for a replacement license for the unexpired term without fee.

(1) Any licensee changing the name or address from that on the license shall surrender the license to the department for cancellation within 10 days thereafter, and may apply for a replacement license. Effective January 1, 1983, a change of address shall be reported within 10 days, but surrender of the license is not required.

(2) Surrender and cancellation will be permitted at any time at the request of the licensee.

(3) Any license expired over 30 days is no longer renewable and shall be canceled.

##### **§ 1112. Armored Car Inspection and Identification Card.**

Each armored car shall be inspected by a member of the department [CHP] in conjunction with the initial issuance of the license or identification card. An identification card is issued for each armored car as evidence that the owner has obtained a license to operate an armored car and that the vehicle identified thereon has been inspected and determined to be in compliance with Vehicle Code requirements. The identification card shall be carried in the vehicle for which it is issued.

(a) Issuance and Retention. An armored car identification card will be issued initially in conjunction with the issuance of a license or upon request from a licensee for authority to operate an additional armored

car, provided a satisfactory inspection report is submitted for each vehicle. Retention of the armored car identification card(s) is contingent upon continued compliance with licensing and equipment requirements.

(b) Expiration. An armored car identification card shall remain valid during the term of the license under which the card was issued, including renewals thereof, as long as the licensee retains the license and possession and control of the vehicle and the armored car meets all requirements.

(c) Surrender. An armored car identification card shall be surrendered to the department [CHP] under any of the following conditions:

(1) Change in ownership of the vehicle

(2) Transfer of possession or control of the vehicle

(3) Surrender or expiration of the license

(4) Noncompliance with equipment requirements of statutes or regulations. (The card may be returned when the vehicle is again in compliance.)

(d) Registration and License Plates. A licensee shall notify the department of the license plate number of each armored car and any subsequent change in registration.

#### **§ 1113. Temporary Operating Authorization.**

An armored car inspected and approved by a member of the department [CHP] may be operated temporarily by a licensee or applicant prior to receipt of the license and/or the armored car identification card when authorized by the local California Highway Patrol Area commander. Such authorization shall be carried in the vehicle. Temporary authorization shall be invalid when replaced by an armored car identification card and/or license or when the license is denied.